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CHESHIRE WEST AND CHESTER RETAIL STUDY

Volume 1: Final Report

Prepared for:

Cheshire West and Chester Council

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1. INTRODUCTION

1. Lambert Smith Hampton (hereafter referred to as 'LSH') was instructed by Cheshire West and Chester Council ('the Council') in November 2024 to prepare a Retail Study ('the Study') to consider the health of town centres within the authority area, and to assess future retail and leisure requirements across the Borough. The Study supersedes previous similar evidence base documents, including the Cheshire Retail Study, which was published in April 2016 ('the 2016 RS').
2. The Council is currently in the process of preparing a new Cheshire West and Chester Local Plan. This Retail Study provides an up to date and robust evidence base to support the formulation of strategies and policies relating to retail and other main town centre uses in the emerging Local Plan.
3. Subsequent to the preparation of the 2016 RS, the UK has experienced major economic and social events (e.g. Covid-19, high rates of inflation, and a related 'cost-of-living' crisis) that have impacted on how we shop, work, and use our town centres. As such, it is an opportune time to review the current performance of Cheshire West's principal centres and to assess the future retail and leisure needs of local residents and visitors.
4. As such, this Study takes account of current and predicted market trends, and the impact of the pandemic on town centres and high streets as places to shop, live, work, study, and visit for a wide range of uses and activities. It has been carried out in accordance with current policy and guidance pertaining to retail and town centre uses at the national and local level, including the National Planning Policy Framework ('NPPF') and National Planning Practice Guidance ('PPG').
5. Notwithstanding the economic uncertainties highlighted above, the outputs of this Study will assist in the guiding both plan-making and decision-taking across Cheshire West and its principal centres over the timeframe of the new Local Plan. Whilst the Study forecasts future retail and leisure needs to 2040, any findings beyond 2035 should be treated with caution on the basis that forecasts become less reliable over time. Notwithstanding this, additional commentary is provided within the report in respect of likely broad needs across a 20-year period to 2045.
6. The Study considers the needs arising from two separate growth scenarios. The first relates to the level of population growth forecast by Experian informed in turn by the Office of National Statistics' (ONS) 2018-based 'Sub-National Population Projections'. This growth trajectory is based on patterns of historic growth and local demographics.
7. The second population growth scenario models the level of housing growth that the Council is required to plan for based on the Government's prescribed 'standard method' of assessing housing need. This results in an ambitious future growth trajectory which is in excess of that planned for in the current adopted Local Plan.
8. In this context, the Study is presented in a series of inter-related volumes:
 - **Volume 2** comprises the quantitative analysis and related appendices that

inform the economic capacity tables addressing future quantitative needs under population growth Scenario 1;

- **Volume 3** provides the same assessment in respect of population growth Scenario 2; and
- **Volume 4** provides comprehensive town centre health check assessments for Chester city centre, and the town centres of Ellesmere Port, Northwich, Winsford, Neston, and Frodsham.

9. This report comprises Volume 1 and draws on the evidence and research in Volumes 2, 3 and 4. It provides policy recommendations to help the Council prepare positive strategies, plans and policies for the growth, management and adaptation of Cheshire West and Chester's principal centres over the short, medium, and long term to help underpin their future vitality and viability.

10. For ease of reference, Volume 1 of this Study is comprised of the following inter-related sections:

- **Section 2** reviews the national, regional and local planning policy context;
- **Section 3** highlights key trends that are driving dynamic changes in the retail and leisure sectors at the national and regional level, and considers how these trends impact Cheshire West and Chester;
- **Section 4** provides a summary assessment of the health of principal centres with reference to their strengths, weaknesses, opportunities, and threats;
- **Section 5** confirms the Study Area and provides an overview of the Experian Insights transactional data which is used to analyse the trading performance of retail and leisure facilities across the Study Area (and beyond);
- **Section 6** details the key assumptions and findings of the retail capacity assessment for new convenience and comparison goods retailing up to 2040 based on LSH's in-house CREAT^e economic model (under both population growth scenarios outlined above);
- **Section 7** sets out the findings of the commercial leisure needs assessment, drawing on land use data and Experian Insights transactional data; and
- **Section 8** draws on the previous sections and provides recommendations to help inform the Council's preparation of policies and strategies aimed at maintaining and enhancing the vitality and viability of Cheshire West and Chester's principal centres over the forthcoming plan period.

2. PLANNING POLICY CONTEXT

11. To help inform the preparation of this Study, this section provides a summary of the key national, regional and local planning policies pertaining to retail, leisure and other main town centre uses. The review also considers the implications of recent changes to the Use Classes Order and Permitted Development Rights (PDR), particularly in relation to PDRs that allow the conversion of buildings and units in commercial use to residential use.

National Planning Policy Framework (NPPF)

12. The NPPF was updated in December 2024 and sets out the Government's planning policies for England. Planning statute requires that planning applications should be determined in accordance with the development plan, unless material considerations indicate otherwise. The NPPF must therefore be considered in plan-making and is a material consideration in making planning decisions.
13. The NPPF identifies that the purpose of the planning system is to contribute to the achievement of sustainable development, which is defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs. Paragraph 11 sets out the Government's view of what the presumption in favour of sustainable development means in practice. For plan-making, all plans should promote a sustainable pattern of development that: meets the needs of the local area; aligns growth and infrastructure; improves the environment; and, mitigates against and adapts to the effects of climate change.
14. Section 3 ('Plan-making') of the NPPF provides guidance to local authorities in relation to plan preparation. Paragraph 20 states that policies should set out an overall strategy for the location, scale and quality of development, and make sufficient provision for new sustainable development. Paragraph 22 indicates that strategic policies should look ahead over a minimum 15-year period from adoption, except in relation to town centre development. Paragraph 32 identifies that, in preparing development plans, policies should be underpinned by relevant and up-to-date evidence. Paragraph 34 states that local plans and spatial strategies should be reviewed at least once every five years and updated as necessary.
15. Chapter 7 ('Ensuring the vitality of town centres') provides guidance on plan-making and decision-taking for retail and other town centre uses. Paragraph 90 identifies that planning policies and decisions should support the role that town centres play at the heart of local communities, and sets out criteria that local authorities should consider when preparing planning policies. These include: (a) defining a network and hierarchy of centres; (b) defining the extent of town centres and primary shopping areas; (c) retaining and enhancing existing markets; and (d) allocating a range of suitable sites in town centres to meet the sales and type of development likely to be needed *'looking at least ten years ahead'*.

16. Paragraphs 91 to 95 inclusive set out the requirement to apply the sequential and impact tests to planning applications for new retail and leisure developments that are neither in an existing centre, nor in accordance with an up-to-date development plan. The sequential test also applies to all proposals for main town centre use development.
17. Other sections of the NPPF are also of some relevance to the preparation of this Study, and to the Council's plan-making and decision-taking in respect of retail, leisure and town centres.
18. For example, paragraphs 96 and 97 of Section 8 ('Promoting healthy and safe communities') set out the need to achieve healthy, inclusive and safe places. This includes the requirement to plan positively for the provision and use of shared spaces, community facilities (such as local shops), and other local services to enhance the sustainability of communities and residential environments.

Town Centres and Retail Planning Practice Guidance

19. The Town Centres and Retail PPG provides specific guidance on plan-making and decision-taking for retail, leisure, and other main town centre uses, including guidance on Permitted Development Rights ('PDR'), Article 4 Directions, and amendments to the Use Classes Order ('UCO') that came into effect on 1 September 2020 (discussed later in this section). The PPG supports the policies and provisions of the NPPF, placing significant weight on the development of positive plan-led visions and strategies for town centres.
20. In terms of planning for town centres, the PPG states that a wide range of complementary uses can, if suitably located, help to support the vitality and viability of town centres. These include residential, employment, office, commercial, leisure/entertainment, healthcare, and educational development. Evening and night-time activities also have the potential to increase economic activity within town centres and provide additional employment opportunities.
21. Paragraph 004 of the PPG sets out the importance of evidence-based strategies and visions for town centres to help establish their role and function over the plan period, and the need for town centres to accommodate future needs.
22. However, given the uncertainty in forecasting long-term retail trends and consumer behaviour, paragraph 004 also states that capacity assessments '*...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.*'
23. In those cases where development cannot be accommodated in town centres, paragraph 005 of the PPG requires planning authorities to plan positively to identify the most appropriate alternative strategy for meeting the identified need, having regard to the sequential and impact tests.
24. Paragraph 006 of the PPG also sets out several key town centre performance indicators that '*...may be relevant in assessing the health of town centres, and*

planning for their future...'. The performance indicators are of relevance in undertaking health check assessments.

Use Classes Order and Permitted Development Rights

25. The Government has issued a series of reforms to the planning system since 2020 that are relevant to this Study. The reforms principally relate to Permitted Development Rights ('PDR') and the Use Classes Order ('UCO').
26. The new UCO came into effect from 1 September 2020 and is relevant to the Council's plan-making and decision-taking on new retail, leisure and town centre uses. The new UCO amended and revoked a number of use classes under the 1987 Order and has replaced them with much broader use classes.
27. In summary, the main reforms introduced by the new UCO comprise the following.
 - A new Class E (commercial, business and service uses), which subsumes the former Use Classes A1 (shops), A2 (financial and professional services), and A3 (restaurants and cafés). It also incorporates: the former Class B1 (commercial, business and service uses), comprising office, research and development, and light industry; Class D1 (non-residential institutions) in part, comprising medical or health services, clinics, crèches, day nurseries, and day centres; and Class D2 (assembly and leisure) in part, comprising gyms or areas for indoor recreation.
 - A new Class F1 (learning and non-residential institutions), which includes some of the former uses under Class D1 (non-residential institutions), including museums, public libraries, art galleries, schools, and places of worship.
 - A new Class F2 (local community uses), which comprises (former Class A1) shops defined as being not more than 280 sq.m mostly selling essential goods, including food, and at least 1 kilometre from another similar shop. This Use Class also includes some former Class D2 (assembly and leisure) uses such as meeting places/halls, indoor/outdoor swimming baths, skating rinks, and outdoor sport and recreation.
 - An extension to Sui Generis uses (which fall outside specified use classes) to include the former Use Classes A4 (pubs and drinking establishments) and A5 (hot food takeaways). It also incorporates some uses previously classified under Class D2 (assembly and leisure), including cinemas, concert halls, live music venues, bingo, and dance halls.
28. Changes of use within a defined Use Class are not considered to be development and as such do not require planning permission. As a result, the ability to restrict the use of an existing premises to retail or another specific town centre use has been substantially reduced.
29. The Government also issued new PDR rights on 1 August 2021 that permit the change of Class E to Class C3 (residential), subject to prior approval applications. This PDR replaces the two existing commercial to residential PDRs under Class O

(office to residential) and Class M (conversion of shops, financial services, betting offices and pay day loan or mixed uses to residential), with a new Class MA. In launching the PDR, the Government stated that the regulations will give ‘...*greater freedom for buildings and land in our town centres to change use without planning permission and create new homes from the regeneration of vacant and redundant buildings.*’

30. Although the above PDR does not apply to Listed Buildings, it can be applied in a Conservation Area (subject to an impact assessment if it involves converting the ground floor).

Article 4 Directions

31. Article 4 Directions are a tool used by local authorities to remove national permitted development rights, if warranted and supported by robust evidence.
32. The Government supports the use of Article 4 Directions in a ‘highly targeted way’ to protect core high street areas whilst not restricting the ability for much needed housing to be delivered.

Development Plan Context

33. The development plan forms the starting point for the determination of planning applications. The development plan for the authority area comprises the Local Plan (Part One) Strategic Policies (adopted January 2015) read together with the Local Plan (Part Two) Land Allocations and Detailed Policies (adopted July 2019). There are also a series of Neighbourhood Plans which also form part of the development plan and help shape development across specific areas.
34. Key adopted Core Spatial Strategy policies and provisions of greatest relevance to this Study are summarised below.

Cheshire West and Chester Local Plan (Part One) Strategic Policies

35. Paragraph 2.1 of the Part One Local Plan sets out the following Vision for the area:

‘By 2030 Cheshire West and Chester will be a desirable and attractive place to live, work, learn and visit with vibrant towns and rural villages, reflecting the vision of the Sustainable Community Strategy. Development will reflect the character of local areas, conserving, managing and enhancing the valuable natural and historical environments, resources and assets.’

36. In respect of different areas, Chapter 2 of the Part One Local Plan identifies that:
 - Chester will continue its development as a prosperous sub-regional employment location, shopping and international tourist destination. The city will be a key asset to the Borough with a thriving business, retail and tourism economy and as a centre for learning. The character of Chester will be maintained;

- Ellesmere Port will be a confident industrial area, a hub for high quality industries and technologies including the green energy and waste sector, attracting inward investment. Perceptions of the town will be enhanced;
 - Northwich will have a vibrant town centre based around the regeneration and development of new retail, leisure and housing development opportunities;
 - Winsford will be integral to the improved prosperity of the borough particularly through development to meet the needs of local communities, whilst protecting the character of the Cheshire countryside and individual identity of rural settlements; and
 - The market towns and villages identified as key service centres will remain viable settlements and will fulfil their role and function in providing access to services and facilities for their local and surrounding communities.
37. Three strategic objectives are of particular relevance to town centres.
38. Strategic Objective SO1 seeks to:
- ‘Develop the role of Chester as a sub-regional city, promote regeneration and development in the towns of Ellesmere Port, Northwich and Winsford and enable appropriate levels of development in the key service centres to support sustainable rural communities.’*
39. The purpose of Strategic Objective SO2 is to:
- ‘Support a vibrant, diverse and competitive local economy that provides a range of job opportunities to support sustainable communities.’*
40. The purpose of Strategic Objective SO8 is to:
- ‘Create stronger, safer and healthier communities by enabling access to leisure, recreational and community facilities and promoting walking and cycling.’*
41. Policy STRAT 1 ‘Sustainable Development’ states that:
- ‘The Local Plan seeks to enable development that improves and meets the economic, social and environmental objectives of the borough in line with the presumption in favour of sustainable development.’*
42. The policy provides for mixed-use development which is accessible to homes, employment, retail, leisure, sport and other facilities, promoting healthy and inclusive communities whilst reducing the need to travel existing or proposed local shops and community infrastructure. New housing should benefit from good accessibility to existing or proposed local shops, community facilities and primary schools and have good connections to public transport.
43. Policy STRAT 3 ‘Chester’ seeks to support Chester as the key economic driver in the Borough. It identifies that:
- ‘Development will enhance the city’s role as a sub-regional shopping and leisure destination and support its role as an international tourism destination. Key retail and leisure proposals are:*

- *the comprehensively planned development of the Northgate area for major leisure and retail uses.*
- *a new theatre in the city centre to sustainably enhance the city's cultural offer.'*

44. In respect of the future role of Northwich, Policy STRAT 5 'Northwich' identifies that a key proposal relates to:

'...the retail led regeneration of Northwich town centre and riverside through the delivery of Northwich Riverside projects, including most importantly the redevelopment of Barons Quay'.

45. Policy ECON 2 'Town Centres – Retail, Leisure and Other Town Centre Uses' identifies the Council's 'town centres first' approach to retail, leisure and other main town centre uses. The policy indicates that development should be of an acceptable scale reflective of the size and role of each centre, and not have an unacceptable impact on other centres in the catchment area of a proposal.

46. The policy sets out the following hierarchy and key priorities for the Borough's town centres:

- **Chester – Sub-Regional Centre**
Retail development must be focused in the city centre to support its sub-regional role as a shopping, leisure and international tourism destination. A comprehensive, retail-led, mixed-use scheme will be supported on land between Hunter Street and Princess Street (known as Northgate). It will include a substantial element of new comparison retail floorspace. Leisure, residential and office uses will also be permitted within the site, complementary to its primary retail offer.
- **Northwich – Strategic Centre**
The first priority for retail and leisure investment is the Barons Quay scheme. Within the Barons Quay area, proposals for retail and leisure development that would jeopardise the comprehensive delivery of this critical scheme, necessary to secure the long-term vitality and viability of the town centre, will not be allowed. Mixed-use development, including residential uses that support the overall vision and health of the town centre will be supported.
- **Ellesmere Port – Town Centre**
To improve its retail and leisure offer and attractiveness, retail development will continue to be focused in Ellesmere Port town centre along with other main town centre uses, particularly new leisure and cultural development.
- **Winsford – Town Centre**
A comprehensive approach towards the regeneration of the town centre will be supported, enabled by investment in a new foodstore.
- **Frodsham – Town Centre**
To ensure that Frodsham maintains its important role as a retail and service centre for the local population including its strong independent retail sector, proposals should retain and enhance the existing range of shopping uses, including independent shops, whilst promoting choice and competition.

- **Neston – Town Centre**

Proposals should support Neston in meeting local shopping and service needs, enabling it to remain a healthy, competitive centre.

47. Local centres provide a lower tier of provision, meeting more localised needs. Within these smaller centres, shops and other community facilities should be retained and new uses allowed where they are important in meeting the day-to-day needs of the local community.
48. Policy ECON 2 goes on to outline the policy approach in determining proposals for main town centre uses on sites outside of a defined centre. The policy identifies sequential and impact tests which are comparable to those set out in national planning policy.
49. In respect of the impact test, a variable local impact threshold is established which identifies where proposals should be accompanied by a formal assessment of town centre impacts. This relates to proposals that are outside of town centres and:
 - provide greater than 1,000 sq.m gross floorspace in proximity to Chester sub-regional centre and Northwich strategic centre;
 - provide greater than 500 sq.m gross floorspace in proximity to Ellesmere Port, Winsford, Frodsham, and Neston town centres; and
 - provide greater than 200 sq.m gross floorspace in proximity to local centres.
50. Policy ECON 2 goes on to identify that proposals which positively contribute towards creating attractive, vibrant and safe centres will be supported subject to their impact on local amenity.
51. The proposal also identifies a quantum of convenience and comparison retail floorspace that could potentially be accommodated within each centre. This is based on the findings of the Cheshire West and Chester Retail Study Update of June 2013 and is now considered to be out-of-date.
52. Policy ECON 3 'Visitor Economy' identifies that:

'The expansion of existing tourism assets or the creation of new tourism opportunities will be supported where this would enhance the existing tourism offer, benefit the local economy and be of a suitable scale and type for its location.'
53. Major leisure, tourism, cultural development and visitor accommodation should be located within, or be accessible to, Chester, Northwich, Ellesmere Port and Winsford town centres.

Cheshire West and Chester Local Plan (Part Two) Land Allocations and Detailed Policies

54. Policy DM 14 'City and Town Centres' identifies that main town centre uses will be supported within the city and town centre boundaries. Retail uses will be supported within primary shopping areas.
55. The policy is aligned with defined primary and secondary frontages for Chester

and Northwich, and primary shopping areas for other town centres.

56. Within Chester and Northwich's primary shopping frontages, the loss of Class A1 retail uses will normally be resisted. Within the secondary frontages of Chester and Northwich or the primary shopping area of other centres, the loss of retail other town centre uses will only be supported subject to meeting criteria relating to active frontages.
57. This policy was adopted prior to revisions to the NPPF in 2018 (which removed the reference in national planning policy to primary and secondary frontages) and the introduction of Use Class E in 2020.
58. Policy DM 14 goes on to identify that non-retail commercial uses will only be supported where, *inter alia*, proposals would not undermine the vitality and viability of a centre and generally complement the retail offer.
59. Policy DM 14 is also generally supportive of the evening economy, particularly where this relates to cultural, civic, and family-orientated activities. Residential development within centres is also generally encouraged where this provides for balanced and mixed communities and confirms to the general policies of the plan.
60. In respect of Chester, Policy DM 14 states that:

'Within the historic Rows, as identified on the policies map, new development must encourage footfall and provide interest through active frontages, with the retention of historic frontages as a priority. The provision of A1, A3 and A4 uses will be supported and the loss of these uses resisted. Other uses that contribute to the visitor economy will be supported.'

Residential, office and other main town centre use development on upper floors of the Rows will be supported, providing there is no harm to the character of the historic buildings. Where a proposed use occupies both ground floor and Row level, access and an active frontage must be included at both ground floor and Row level to promote footfall on each level.

Boughton is defined as a district centre in Local Plan (Part Two) Policy DM 15, and proposals for development of town centre uses in this centre must not undermine the vitality and viability of the city centre.'
61. In respect of Northwich, Policy DM 14 identifies that the Weaver Square Development Area is allocated as a redevelopment area and proposed new uses and other development proposals should accord with Part Two Local Plan Policy N 2 (which emphasises the need for high quality design, promotes mixed-use development, and requires the vitality and viability of town centres to be safeguarded).
62. Policy DM 15 'District and Local Centres' seeks to ensure that retail remains a dominant use in smaller centre. It states that non-retail commercial and community uses will be supported where:
 - it would not lead to a loss of retail uses which would harm the vitality and viability of the centre;

- there would not be an excessive concentration of non-retail uses in across any shop frontage; and
- development is consistent with the scale and function of the centre.

Policy Summary

63. This policy review has summarised the context for the Council's future consideration of retail, leisure and town centre planning policy as part of the forthcoming Local Plan review.
64. In summary, national and local plan policy and guidance seeks to maintain and enhance the vitality and viability of centres over time by, amongst other measures, directing new investment and development to town centres first and promoting a diverse mix of sustainable uses that meet the needs of all those who live, work, shop, and visit centres for a wide range of activities.
65. Current development plan policies generally reflect these requirements but should be reviewed to reflect recent changes to the Use Classes Order and in respect of PDRs, as well as to reflect the significant changes seen both nationally and within the Cheshire West and Chester area in respect of structural changes in the retail and leisure sectors and consumer shopping patterns. There have also been major economic upheavals affecting consumer spend and business costs.
66. The quantitative capacity assessment provided by this Study reflects such changes to identify future retail and leisure needs and set out the associated implications for centres. The Study then advises on appropriate Local Plan policy responses to support vital and viable centres.

3. RETAIL & LEISURE MARKET TRENDS OVERVIEW

67. This section summarises some of the key economic, consumer and property market trends that have driven the changes in the retail and leisure sectors over the last decade, and considers how town centres can respond to these dynamic trends to remain competitive and enhance their future vitality and viability.

UK Economic Outlook

68. Over the past six years, the UK economy has endured multiple shocks including the Covid-19 pandemic, high inflation, elevated energy costs, supply chain disruptions, and trade tensions. Despite these challenges, the Office for Budget Responsibility (OBR) (Economic and Fiscal Outlook – March 2025) projects a gradual economic recovery, with real GDP growth expected to rise from near zero in 2023 to 1.0% in 2025 and 1.9% in 2026. It is expected to stabilise at an average potential growth rate of 1.75% through 2027 to 2029. However, there is significant economic uncertainty, which arises in part due to geopolitical disruptions in respect of trade policy.
69. Inflation, measured by the consumer price index CPI, is forecast to increase from 2.5% in 2024 to 3.2% in 2025, peaking at 3.8% in July 2025, driven by energy price caps, food prices, and utility bills. From mid-2026 inflation is expected to return to the Bank of England's 2% target as these pressures ease.
70. Experian Business Strategies (Experian) predicts a slightly stronger GDP outlook for 2025 in its latest Retail Planner Briefing Note 22 (March 2025) ('RPBN22'). This reflects early-stage Government spending and a modest rebound in retail sales, particularly in discretionary consumer categories, as real incomes begin to recover.

Retail Spending

71. The latest Experian forecasts from RPBN22 for retail spending per capita identify the following.
- **Convenience goods:** The impact of Covid-19 resulted in a significant +6.8% surge in expenditure per capita in 2020 but a contraction of -1.3% in 2021. This followed annual negative per capita growth of -2.3% between 1998 and 2023. The overall level of negative growth in convenience goods spending has had a significant impact on the grocery sector and on retailer business models. Experian reported a fall in convenience spend in 2023 (-3.5%), 2024 (-1.8%), and 2025 (-0.8%). There is no per capita expenditure growth projected over the medium term to 2030 or over the longer term to 2040.
 - **Comparison goods:** Experian figures show negative per capita comparison growth up to 2024 (-3.2% in 2023; -1% in 2024). The forecast per capita growth for 2025 is a nominal 0.1%, increasing to 1.3% in 2026, and thereafter settling to +2.5% to 2031, and to average annual growth of +2.6% up to 2040.

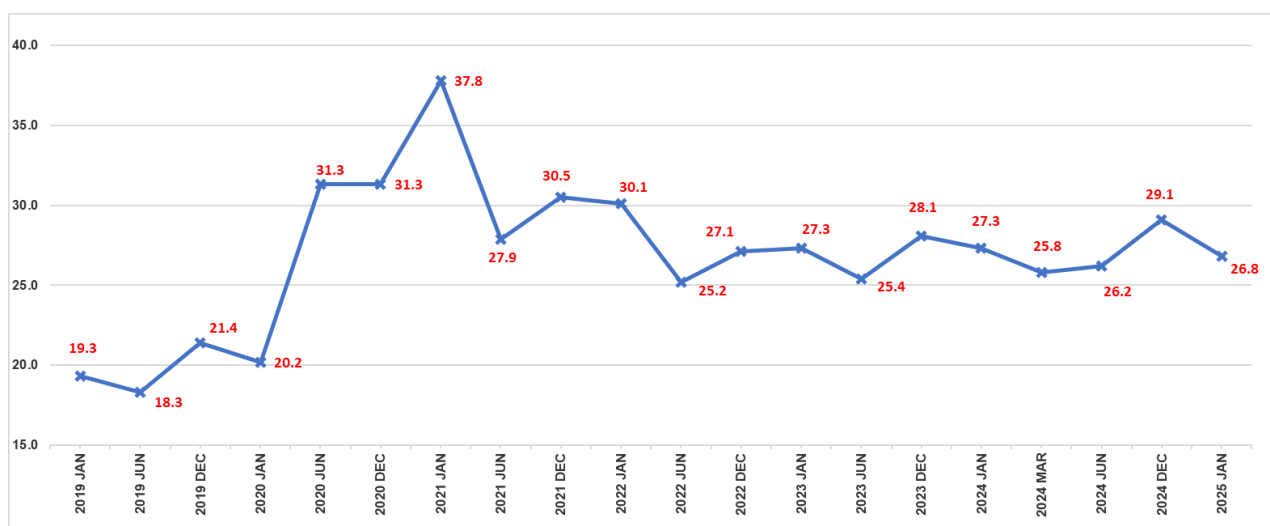
The longer-term growth forecast is now higher than the historic long-term trend (1998-2023) of +1.5% per annum.

72. These expenditure growth forecasts inform our assessment of retail capacity. Clearly, any further dampening of growth rates over the short to medium term due to external shocks such as rising inflation and the cost-of-living crisis will have implications for the viability of existing retail businesses and the demand for new space.

Online Retail

73. The growth in non-store retail sales has undoubtedly had the most significant impact on consumer spend and behaviour over the last decade, and on our high streets and traditional shops. Non-store retailing is commonly referred to as special forms of trading ('SFT').
74. This comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door, and telephone sales. Online sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).
75. ONS figures show that as a percentage of total sales, online retail sales accounted for up to 26.8% of sales in January 2025. The below Figure 1 also illustrates the steep increase from 20.2% in January 2020 to 37.8% in January 2021. Overall, the trend suggests that since 2020 online accounts for between a quarter to a third of the amount spent on retail goods. This compares to less than 5% in 2008.

Figure 1: Internet Sales as a Percentage of Total Sales (%) (to September 2024)

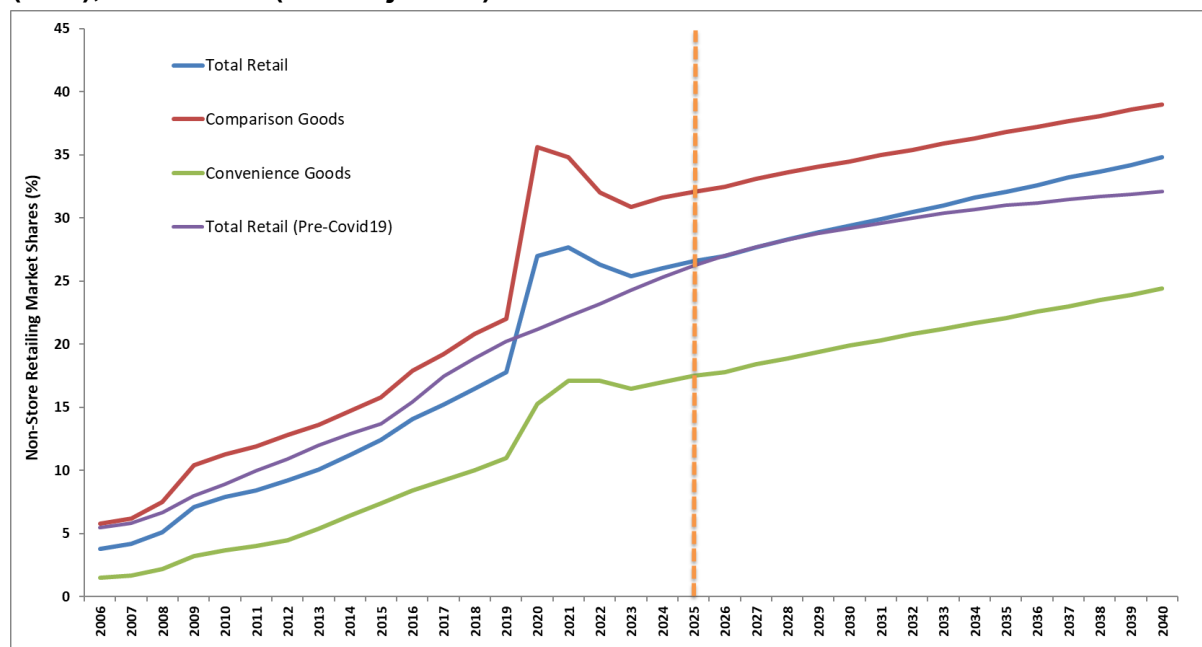


Source: ONS: Retail Sales, Great Britain: November 2024

76. As the figure below from Experian shows, SFT's overall market share (as a proportion of total UK retail sales) increased from 3.8% in 2006 to 27.0% in 2020. In other words, online accounted for more than one in every four pounds spent on retail goods in 2020. Of this total non-store retail sales, Experian estimate that SFT accounted for an estimated 15.3% of convenience goods expenditure and 35.6%

of comparison goods expenditure at 2020. Experian further estimates that SFT will account for 17.5% of convenience goods expenditure and 32.1% of comparison goods expenditure in 2025.

Figure 2: Estimated and Projected Market Shares of Non-Store Retail Sales (SFT), 2006-2040 (Not Adjusted)



Source: Experian Retail Planner Briefing Note 22 (March 2025)

77. The latest Experian forecasts indicate that the total SFT market share will increase to 34.8% by 2040. Convenience and comparison goods non-store retail sales are forecast to reach 24.4% and 39.0% respectively by 2040.
78. According to Experian, the rising share of internet sales in total retail transactions is the key trend contributing to the growth of SFT. The ease of online purchasing has also continued to improve rapidly, with technological advances, particularly around smartphones and connectivity. Faster delivery times, including same day delivery, and easier returns processes have also encouraged the trend. The expansion of 5G and fibre networks should ensure the momentum is maintained over the medium term. The proliferation of the buy now pay later business model and price tracker sites is also supporting growth.
79. With the growth predicted in online sales and market shares, it is clear that high streets, town centres and physical retailers will need to work even harder to retain their existing customer base and attract new customers over the short, medium, and long term.
80. In terms of forecasting the potential capacity for new physical retail floorspace, Experian estimates that approximately 70% of all SFT sales for convenience goods and 25% of all sales for comparison goods are still sourced through traditional ('bricks and mortar') retail space, rather than through 'virtual' stores and/or 'dot com' distribution warehouses. On this basis, Experian adjusts its overall SFT market shares downwards for total retail to 16.9% in 2025, 18.9% by 2030, and 22.9% by 2040. In line with standard approaches, these

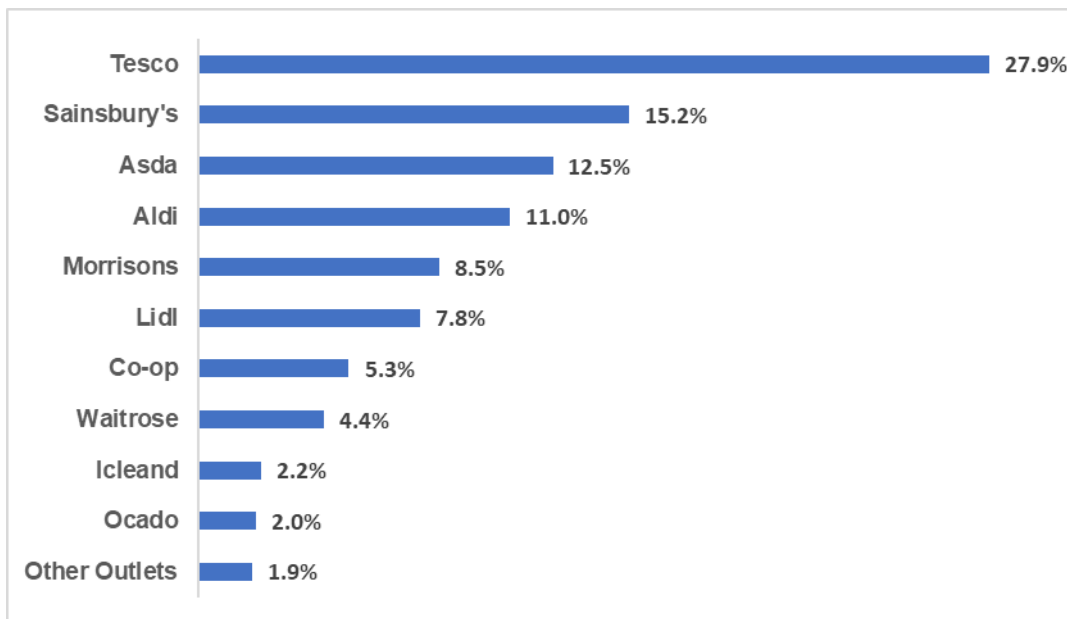
adjusted/recalibrated market share figures inform the retail capacity assessment provided in this Study.

81. In summary, both retailers and high streets will need to compete for shoppers and expenditure through a variety of means including creating experiences that will attract the interest and attention of potential consumers across all age and socio-economic groupings.

Retailer Business Models and Requirements

82. Recent challenging economic conditions and growth in online sales have had a significant and permanent impact on consumer shopping and spending behaviour. Retailers in the recent past have faced challenges across the supply chain, inflationary pricing, economic uncertainty, and geo-political issues.
83. Retail is undergoing a major transformation with customers having heightened expectations. Key trends shaping the future include:
- **Hybrid ‘phygital’ shopping** through seamless integration across online, in-store, mobile, social and virtual platforms;
 - **AI driven personalisation** as increasingly retailers are using AI for smarter chat bots, personalised recommendations and data-driven promotions to enhance customer engagement;
 - **Social commerce** where social media is not just for marketing. Brands now sell directly through platforms leveraging ‘influencer’ partnerships and sentiment analysis to drive sales conversions;
 - **Monetising retail spaces** where physical stores and websites are doubling as advertising channels and with services such as ‘Click-and-collect’ and ‘Buy Online, Pick Up In Store’ (BOPIS) improving consumer convenience; and
 - **Sustainability and the circular economy** as eco-conscious consumers are embracing reuse, repair and recycling prompting retailers to prioritise green packaging, ethical sourcing, and transparency.
84. The grocery market illustrates the shift vividly. While traditional giants such as Tesco and Sainsbury's focus on growth online and convenience formats, the popularities of the deep discounters Aldi and Lidl has surged. Aldi now ranks among the top four UK grocers, overtaking Morrisons. Large store developments have all but halted highlighting a seismic industry pivot towards agility, access, and sustainability.

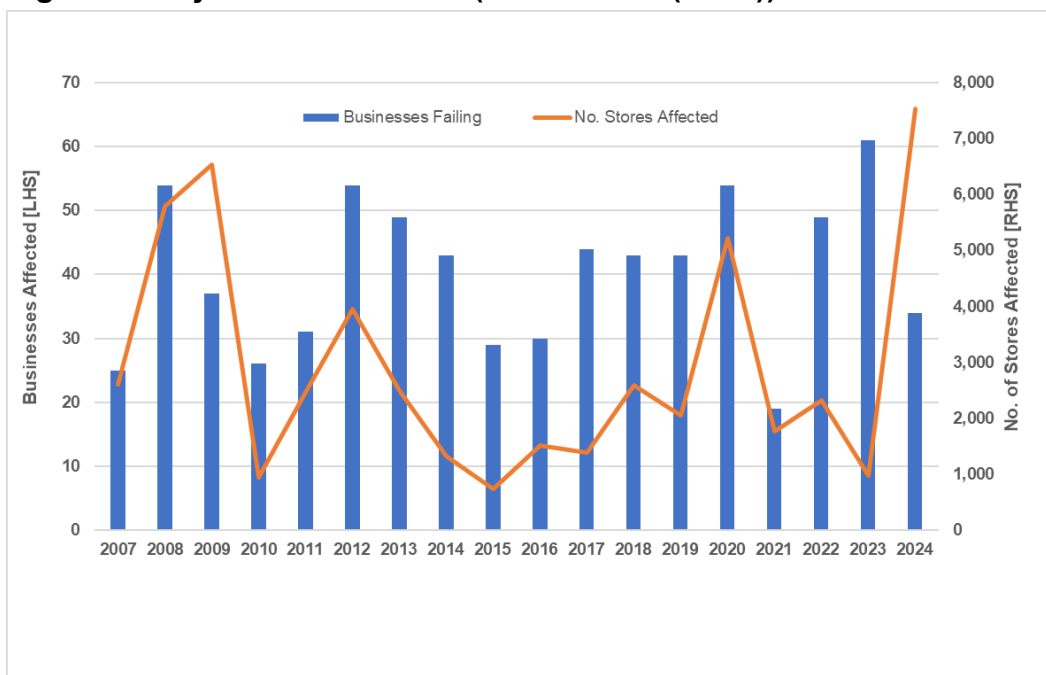
Figure 3: UK Grocery Market Share



Source: Kantar (April 2025)

85. The non-food retail sector is under intense pressure as well due to the rise of online shopping, post-Covid financial constraints, and soaring operational costs continued to reshape the high stream. Store closures are high with 5,200 store closures in 2020 and 7,537 in 2024 with almost 55,900 job losses. Major chains like The Body Shop and WHSmith have been amongst among the casualties.

Figure 4: Major Retail Failures (2007 – 2024 (June))



Source: Centre for Retail Research (April 2025)

86. Retailers are grappling with reduced business rates relief for retail, hospitality and leisure businesses down from 75% to 40% and an uneven playing field, whereby

trading on the high street is costlier than online or out of town alternatives. Traditional retail models are struggling to adapt and respond to shifting consumer behaviours and digital demand.

87. However, the Government's Autumn Budget of October 2024 introduced a package of measures which sought to reform business rates and provide support for the high street. This included the permanently lower tax rates for retail, leisure and hospitality properties with rateable values below £500,000 from 2026/27. The Government intends to fund this by applying a higher multiplier to all properties with a rateable value of £500,000 or above.
88. At the time of reporting, further potential amendments to business rates are under consideration.
89. While larger retailers face mounting difficulties, it should be noted that new technology also offers an opportunity, especially for those operators that are able to leverage digital tools and respond to consumer and social media trends.

Rising Occupancy Costs

90. High street retailers are under growing strain as occupancy costs such as business rates, utilities, wages and other overheads rise faster than inflation and outpace sales growth. This squeezes margins and accelerates store closures. The competitive imbalance between bricks and mortar stores and online or out of centre retailers makes survival even tougher. To stay viable, retailers must maximise efficiency and productivity from existing space.
91. The latest Retail Planner Briefing Note ('RPBN22') (March 2025) provides forecasts of annual floorspace productivity growth rates based on two different scenarios: (i) the 'constant floorspace scenario', based on limited potential for new retail development, resulting in greater efficiency of existing floorspace; and (ii) the 'changing floorspace scenario', which takes account of the impact of new retail development on average retailer sales performance. The Table 1 below sets out the differences between the two scenarios. In practice, the differences are currently relatively limited as Experian anticipates that the overall quantum of UK floorspace will not change very much in the period to 2040.

Table 1: Floorspace Productivity Growth Rates (year-on-year growth %)

	2023	2024	2025	2026	2027-2031	2032-2040
CONSTANT FLOORSPACE						
Convenience Goods	-2.4%	-2.3%	0.0%	0.1%	0.1%	0.1%
Comparison Goods	-0.5%	-0.1%	0.5%	1.7%	2.5%	2.5%
CHANGING FLOORSPACE						
Convenience Goods	-2.4%	-2.3%	-0.1%	0.0%	0.0%	-0.1%
Comparison Goods	-0.5%	-0.2%	0.4%	1.6%	2.3%	2.3%

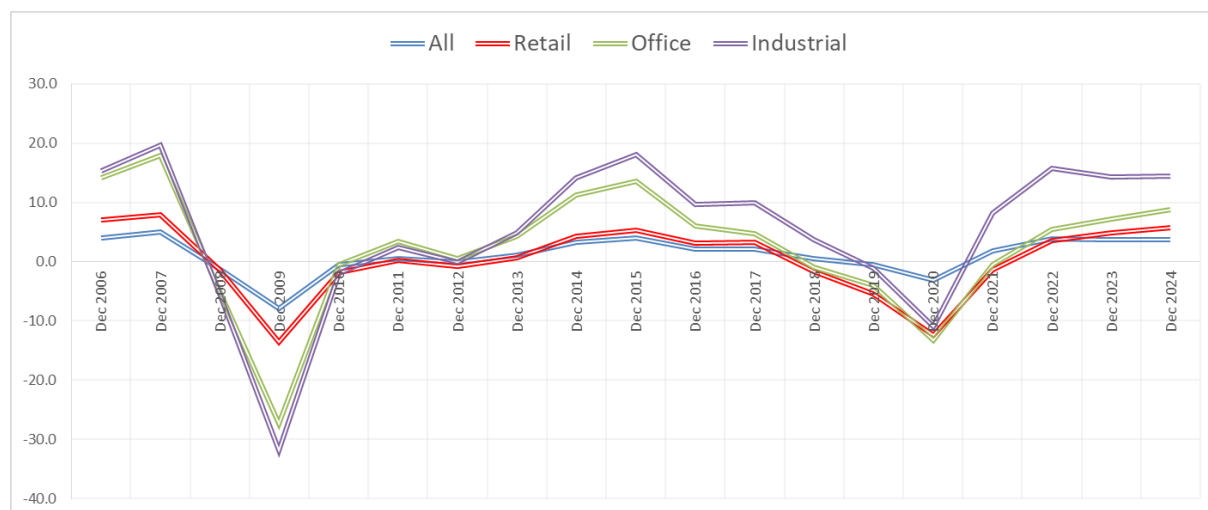
Source: Experian Retail Planner Briefing Note 22 (March 2025); Figures 3a/3b and 4a/4b

92. As Experian explains, sales density growth rates have been volatile in recent years given sharp swings in retail spending due to temporary closures in businesses during the pandemic, and subsequently the impact of high inflation. There is anticipated growth in sales density in 2025 as retail sales volumes

rebound, driven by the comparison component, aided by mildly improving consumer affordability. However over the medium and longer term, budgetary challenges from rising costs and tight margins will be a key factor underpinning floorspace efficiencies over the coming years. These results reflect national trends and there will be marked differences between local areas.

93. On this basis, budgetary pressures mean that retailers will have to increase efficiencies from current floorspace including through redevelopment/repurposing of existing floorspace; adoption of modern technology and innovations; more effective marketing strategies; and adopting an 'omni-channel' strategy (this being the integration of different methods of shopping available to consumers e.g. via the internet, in a physical shop, or by phone) that uses internet sales to increase the sales performance of physical shops. This is against a backdrop of weak demand for retail property, high vacancy levels, and a significant reduction in new retail-led development in centres across the UK.
94. For these reasons, we prefer to test higher 'constant floorspace productivity' growth rates for retail planning assessments, as they better reflect the need for existing retailers to increase their sales potential and profit margins to remain viable.
95. Retail demand across UK centres has plummeted to historic lows dragging down rents, property values and investor confidence. The 2007/8 financial crisis and the more recent pandemic and cost of living crisis impacted particularly on the retail sector. As a consequence, as set out by Figure 5, the retail sector has generally underperformed relative to other property sectors.

Figure 5: Property: Average Rental Growth (2006-2024) (%)



Source: MSCI UK Quarterly Property Index (April 2025)

96. Retailers are leveraging this downturn to secure more favourable lease terms, including turnover based rents, capped service charges, shorter leases, pandemic clauses and generous incentives. Many UK retail centres suffer from an oversupply of outdated or the 'wrong type' of spaces unable to meet modern retailer demands for larger flexible units.

97. Research from LSH and REVO (April 2024) highlighted high occupancy costs and business rates combined with excess floorspace and rise of e-commerce as the top challenges facing retail property. This supply-demand mismatch is undermining store viability and deterring investment in the retail property sector.

Out of Centre Retailing

98. Out of centre retail development has slowed, mirroring the challenges facing town centres. Major grocery chains have shifted focus from large format stores to online and convenience formats. The exception is the discounters like Aldi and Lidl who remain active in seeking new edge and out of centre sites.
99. Despite the slowdown, out of centre locations still offer key advantages namely lower occupancy costs, larger modern units, ample free parking and last mile delivery potential. These trends continue to attract retailers adapting to evolving consumer behaviours. For example, Marks and Spencer has pivoted from high streets to open more food-only stores in out of centre locations.
100. According to the Investment Property Forum (May 2025), modest rental growth is expected in 2025; 1.5% for shopping centres, 2.3% for retail warehouses, and 2.5% for standard retail indicating cautious optimism in a still-rebalancing market.

Vacancy Rates

101. At the end of 2024, the GB national average 'All Vacancy Rate' (retail and leisure combined) stood at 13.8% (a decrease from 14.0% in 2023). The current rate is still higher than the pre-pandemic (Q4 2019) level of 12.1%, so the sector has yet to fully recover.
102. Over the past five years, retail parks and shopping centres have shown an overall decline in vacancy rates, while high streets have experienced an increase. From a vacancy high of 19.4% in the second quarter of 2021, shopping centres dropped to 17.2% by the final quarter of 2024.

Use Classes Order and Permitted Development Rights

103. The Government has issued a series of reforms to the planning system since 2020. Effectively, changes to the use classes were brought in to provide a more flexible approach to controlling commercial land uses. This saw the replacement of Use Class A1 to A5, D1 and D2 with E Class (Commercial), F1 (Learning and Non-Residential) and F2 (Local Community Uses) and the restructuring of sui generis uses (public houses, hot food takeaways, cinemas, music venues, bingo etc.).
104. The result of these changes is that what would previously be a change of use under the subsumed use classes is no longer considered development under the Planning Acts and accordingly is no longer subject to planning control.
105. The impact of the changes will still require the definition of a town centre boundary and a primary shopping area, or a primary 'commercial' area to be the focus for

Class E and Class F uses. Also, in most instances the former use classes can be 'translated' into the equivalent categories within the new E and F Use Classes. This can assist with the interpretation of policy wording and the effective use of conditions.

106. It is worth noting that under the previous Use Classes Order retail sub-categories such as convenience, comparison and bulky goods fell within Class A1. The wider provisions of the Class A1 use were often extinguished through restrictive conditions providing for a specific type of retail development. This general approach continues to apply to main town centre use development in out of centre locations where it is appropriate to provide for a limited form of development.
107. The changes to the Use Classes Order have implications for primary and secondary shopping frontages, as the control of shopping and service uses is not generally enforceable in commercial areas, as a change of use within Class E does not constitute development and will therefore not require planning permission. It should be noted that the effectiveness of frontage policies was declining before the pandemic and previous changes to the UCO. However, there may still be a role to control some sui generis uses in key town centre locations, such as provision of fast-food takeaways, betting shops, payday loan shops or other uses that are justified to be subject to planning control.
108. Beyond 2025, UK centres are set to evolve from retail dominated hubs into vibrant, mixed-use destinations. As traditional retail contracts, there is a growing shift towards place making by introducing non-retail uses such as health, education, leisure, and flexible office space helps to reinvigorate and counter decentralisation trends.
109. A key growth area is city centre living, with increased residential development especially on upper floors or housing above ground floor commercial uses. Repurposing vacant retail space for homes, offices and community functions presents a major opportunity for urban regeneration and for the long term vitality and viability of town centres.
110. The introduction of Class AA and AB in August 2020 (under the Permitted Development Changes (Amendment No. 2) (2020)), allowing new residential on detached or terrace buildings in commercial or mixed-use areas could potentially lead to the loss of commercial floorspace to residential.
111. Furthermore, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (Order) that came into force in August 2021 created a new class of permitted development right (Class MA) into the Town and Country Planning (General Permitted Development) Order 2015 (GPDO) authorising changes of use from Use Class E commercial uses to Use Class (C3) residential.
112. For any application submitted on or after 5 March 2024, there is now no limit to the floorspace that can be converted under Class MA and there is no requirement for the building to be vacant for three months.

113. These changes replace existing retail, light industrial and office to residential rights with rights applying to all of the relatively recent Use Class E in which those uses now sit. Exercise of the right is subject to prior approval by the local planning authority and therefore would be subject to some planning control. Details must be submitted relating to flooding, transport, contamination, noise amenity, natural light, fire safety, and agent of change issues.

Summary

114. Town centres and our traditional high streets have always been dynamic, adapting and evolving to meet the emerging needs of their customer base but the significant and fast-moving structural changes seen during the last 10-15 years have made it difficult for centres to adapt quickly enough, resulting in increased vacancies and underutilised retail space.
115. The critical challenge over the short, medium and long term will be how to retain existing businesses, fill/replace the voids and attract new investment. The danger is that an increase in long-term vacancies in centres will lead to a 'spiral of decline', which will further engender feelings of neglect and lack of investment confidence in town centres, and 'push' more people to shop online.
116. The repurposing of existing retail space and increased diversity of uses will therefore be key to ensuring that town centres at all levels of the retail hierarchy are able to continue to evolve to meet the changing needs of their catchment.
117. As town centres evolve, residential provision in centres is already being encouraged, including by previous national planning changes (such as office to residential conversions through prior approval, and permitted development for two flats above a shop).
118. It will also be important to maximise intergenerational residential provision in the most sustainable locations, particularly in centres, as part of a balanced mix of uses. Therefore, consideration needs to be given to planning policies and allocations enabling the growth of other uses, such as education, leisure and recreation, within centres, which, along with residential, are particularly positive in terms of enhancing the vitality of centres.
119. The most prominent trend in recent years which has resulted in additional retail development is the expansion of the Aldi and Lidl in the deep discounter grocery market. This has practical implication in respect of Cheshire West and Chester as we note that Lidl has a significant number of requirements for additional representation. At September 2025, Lidl's website identifies requirements for new stores in Chester East, Chester North, Chester South, Ellesmere Port North, Ellesmere Port South, Frodsham/Helsby, and Winsford. There is a further requirement for a Lidl store close to the Chester West and Chester local authority boundary at Broughton in Flintshire.
120. Some of the above requirements are in the process of being addressed. Pursuant to the grant of planning permission reference 22/00579/FUL, construction is currently underway to amalgamate and extend existing units to provide a new Lidl

store at Caldys Valley Retail Park in Great Boughton. This may well extinguish Lidl's stated requirement for a store in the eastern part of Chester.

121. In addition, planning permission reference 22/03296/FUL was approved on 1 July 2025 which provides for a Lidl foodstore at the site of Great Sutton Health Centre on Old Chester Road in Great Sutton. This may meet Lidl's need for a store in the northern part of Ellesmere Port.

4. TOWN CENTRE HEALTH CHECKS

122. Planning policy at all levels seeks to maintain and enhance the vitality and viability of town centres and therefore understanding the current health of a centre is an important element of any evidence-based Retail Study.
123. Comprehensive health check assessments for Chester city centre, and the town centres of Northwich, Ellesmere Port, Winsford, Frodsham, and Neston are provided in Volume 3 of this Study. The assessments provide a quantitative and qualitative overview of the current vitality and viability of the centres informed by analysis of the key performance indicators (KPIs) set out in the PPG. Details of the KPIs, other information used to inform our health check assessments, and our data sources used are set out within the Volume 3 assessments.
124. Our key findings in terms of our overall conclusions and the strengths, weaknesses, opportunities, and threats for each of the centres are summarised below.

Chester City Centre

125. The Strengths, Weaknesses, Opportunities and Threats (SWOT) for Chester city centre are as follows.

Strengths

- Chester's status as a regional retail, leisure and tourism destination means that it is well placed to attract visits from across the North West, North Wales, and elsewhere in the UK and internationally.
- Storyhouse, Picturehouse, Chester City Walls, Chester Cathedral and Chester Races as cultural and entertainment venues and attractions.
- Good presence of high street banks.
- Strong interest from a range of retailers for representation within the centre.
- Hub for national multiples/big brands for the region.
- Strong cluster of food & beverage operators.
- The Northgate Phase 1 development has transformed the area next to the Town Hall and Storyhouse with an award-winning market and a vibrant leisure offer including new cinema, restaurants, car parking, and public square.
- Train station and bus station provide major sustainable transport hubs.
- Healthy weekday and weekend evening footfall levels along Eastgate Street, Bridge Street, Watergate Street, and Northgate Street.

Weaknesses

- High vacancy rate (unit and floorspace).
- The loss of Debenhams and other fashion retailers as major anchor tenants (albeit it is important to note that Harrods is to lease part of the former Debenhams store to trade under its H Beauty brand).

- Vehicular use of roads within the centre creates some conflict between pedestrians and vehicles.
- Rising crime levels.
- Footfall hasn't generally recovered to pre-pandemic levels.

Opportunities

- Address the large-scale vacancies currently seen throughout the centre through a broader mix of uses (e.g. education, residential, and healthcare).
- The proposed redevelopment of the former Chester Market and Forum Shopping Centre (for residential-led redevelopment) as part of the next phase of regeneration for Northgate. An increased city centre population should support additional footfall in the area.
- Further realise Chester's potential as a visitor destination, including the opportunity to provide additional overnight accommodation.
- High levels of interest from retail and leisure operators suggests good potential for future occupancy of currently vacant units.

Threats

- The potential loss of further high street brands leading to further vacancies.
- High/increasing business operating costs.
- The impacts of other nearby regional retail and leisure destinations (e.g. Cheshire Oaks) may impact on the comparison goods market share of Chester and its ability to attract new retailers.
- The need for regeneration initiatives to be delivered in a timely manner, including the wider regeneration of the Northgate area.
- Continued vacancy of units throughout the centre, including premises within Grosvenor Shopping Centre (albeit it is again noted that H Beauty is to occupy part of the former Debenhams department store premises).
- The growth in online shopping and its impact on bricks and mortar retail outlets.
- The vacancy level and associated lack of activity negatively impacting on operators' perceptions and willingness to invest.

126. We therefore conclude that Chester remains the retail and leisure hub for the region, with entertainment and cultural venues drawings in visitors that continue to support the vitality and viability of the centre.
127. Despite that, the current volume of vacant units and floorspace is both a weakness and a threat to the centre's current offer. This however provides an opportunity for the introduction of a greater mix of uses to enhance the prosperity and vibrancy of the centre, which can be realised through the comprehensive regeneration plans in place.

Northwich Town Centre

128. The Strengths, Weaknesses, Opportunities and Threats (SWOT) for Northwich town centre are as follows.

Strengths

- Strong convenience retail offer that includes Aldi, Asda, Lidl, Sainsburys, and Waitrose.
- Large proportion of the centre is pedestrianised/pedestrian friendly.
- Strong car parking provision (some of this will be lost following the proposed redevelopment of Weaver Square Shopping Centre).
- Representation of comparison and convenience national multiples.
- Above average provision of financial & business services.
- Major events town with regular free events including Pina Colada festival, NOW Northwich, The River Festival, The Christmas Extravaganza, and many more.

Weaknesses

- Large vacant floorplates within the Barons Quay development, which has remained underutilised since its completion.
- Below average provision of comparison and retail outlets.
- An outdated market with high levels of vacancies.
- High vacancy rate (units and floorspace), albeit this is likely temporary given the redevelopment planned for Weaver Square.
- Weak leisure offer that results in an identified significant decline in footfall in the evening on both weekdays and weekends.
- Footfall hasn't recovered to pre-pandemic levels.

Opportunities

- New uses brought in to address vacancies (education, residential, office, healthcare etc.).
- Opening of a new modern indoor market into Barons Quay should help to diversify the retail and leisure offer within the development, which in turn should enhance footfall.
- Reimagining and re-opening of the Grade II listed library on Witton Street will help to drive footfall along Witton Street. The addition of classroom space and delivery of skills and employment support will diversify the offer and hopefully bring new customers to the heart of the town centre.
- Some encouraging retailer requirements for representation within Northwich.
- Proposed redevelopment of Weaver Square to deliver residential in the heart of the town centre.

Threats

- Redevelopment of Weaver Square not being delivered and the vacancy rate remaining high.
- The vacancy level and associated lack of activity negatively impacting on operators' perceptions and willingness to invest.

129. We therefore conclude that whilst Northwich is an attractive town centre environment, the regenerative ambition to revitalise the town centre and enhance

its role within the retail hierarchy is yet to be fully realised. There has been a sustained period of vacancies within the Barons Quay development, which exemplifies the challenges that Northwich faces. However, we understand that some of the vacant units are under offer; completion of these deals will help diversify the town centre offer and drive additional footfall within the centre.

130. Notwithstanding this, the regenerative ambition for Northwich is yet to be fully realised, and the comprehensive redevelopment of Weaver Square provides an opportunity to introduce a greater mix of uses that will help to increase footfall and enhance the prosperity and vibrancy of the centre. The new market at Barons Quay and the re-opening of the library on Witton Street as a community library and skills and employment hub will also help to underpin the centre.

Ellesmere Port Town Centre

131. The Strengths, Weaknesses, Opportunities and Threats (SWOT) for Ellesmere Port town centre are as follows.

Strengths

- Healthy provision of convenience retail including the presence of Asda, Aldi and Farmfoods.
- Good connectivity via public transport and private vehicles with ample parking provision.
- Indoor Market due to be enhanced offering community space, youth space, children's play area, enterprise area, improved central eating areas and market stalls – complemented by an improved Flea Market hosting more events with the aim of attracting higher footfall.
- An emerging events programme relating to the Civic Hall, the redeveloped Flea Market, and Theatre Porto (albeit the latter facility is located a short distance from the town centre at Whitby Park).

Weaknesses

- Overall poor environmental quality which detracts from the appeal of the centre.
- Significant shortfall in the provision of leisure outlets within the centre.
- A vacancy rate that significantly exceeds the national average and has resulted in vacant units detracting from the quality of place through lack of presence and dereliction.
- Severely limited evening and nighttime quality, with food & beverage dominated by fast food takeaways which may not generate footfall at the same rate as other uses due to their increased reliance on delivery services.
- Limited evening footfall.

Opportunities

- Redevelopment of the Civic Offices to unlock and deliver new low carbon homes within the centre, which could help support a critical mass of residents.

- Use of Levelling Up Fund monies to provide a re-imagined Market and Flea Market with improvements for cultural events and extended market events.
- Introduction of a broader range of uses to tackle the level of vacancies, e.g. residential and healthcare, leisure, cultural events, crafts, and family activities. There is also an opportunity to support a more expansive evening and night time economy offer.
- Improvements to accessibility for sustainable and active modes of transport (cycling and walking).
- Investment into the public realm to make needed improvements to the environmental quality of the centre.

Threats

- Declining environmental quality continuing to detract from the attraction of the centre.
- Continued decline in the comparison retail offering of the centre.
- Continuing increases in the vacancy rate.
- The need to retain a critical mass of commercial operators to underpin Ellesmere Port's role and function, and to ensure it is an attractive proposition for local residents.

132. We therefore conclude that whilst Ellesmere Port is able to meet many of the straightforward day to day retail and service needs of its immediate catchment, the reduction of its comparison retail offer and an increasing vacancy rate indicates that the health of the centre has been in decline. It should be noted that the reduction in the centre's comparison goods function has likely been exacerbated by the centre's proximity to exceptionally strong out of centre retail provision at Cheshire Oaks, Coliseum Shopping Park, and the Marks & Spencer at Stanney Woods Avenue.
133. These three facilities to some degree act together as a single destination and accommodate the largest national multiple comparison brands. They are located approximately 2 kilometres to the south of Ellesmere Port town centre and help meet the needs of local residents as well as attracting expenditure from further afield.
134. National multiple comparison operators are generally unlikely to trade from in-centre and out of centre premises in a town the size of Ellesmere Port. In this context, the future focus of the centre will be day-to-day retail and a diversified offer with an improved food & beverage, leisure and open space provision.
135. Future regeneration aspirations for the town to help underpin its position in the retail hierarchy include:
 - improvements at the Civic Square and Civic Hall;
 - Town Centre Masterplan to consider additional housing;
 - consolidated retail core;
 - improved public amenity/public realm;
 - further dwell space;

- animation of the town centre; and
- an improved cultural offer and evening/night time economy initiatives.

Winsford Town Centre

136. The Strengths, Weaknesses, Opportunities and Threats (SWOT) of Winsford town centre are provided below.

Strengths

- Good road access/connectivity and ample convenient parking provision across the centre.
- Winsford Cross Shopping Centre provides a safe, pedestrianised shopping experience.
- Indoor market.
- Declining levels of crime.

Weaknesses

- Limited leisure services offer, largely due to a lack of food & beverage provision.
- Low environmental quality in parts – largely due to presence of unkept ‘back-of-house’ service areas.
- Current general lack of greenery, vibrancy, and green spaces (due to be addressed as part of the comprehensive regeneration of the centre).
- Low levels of evening footfall, particularly on the weekend.

Opportunities

- Enhanced quality of the retail and leisure facilities as a result of the comprehensive redevelopment of the centre, including the new B&M store, and additional food and beverage facilities.
- Increased greenery and vibrancy across the centre (e.g. through planters, hanging baskets and pocket parks).
- Improvements to cycle accessibility (routes and parking).

Threats

- Further high street retail closures.
- High/increasing business operating costs.

137. We therefore conclude that Winsford has a positive role to play in meeting the day to day needs of its immediate catchment, and has an ability to draw some visitors in from slightly further afield due to the presence of large format operators such as Asda and B&M. The redevelopment and regeneration of the centre provides an opportunity for the centre to become more diverse and retain its relevance as the hub of local communities.

Frodsham Town Centre

138. The Strengths, Weaknesses, Opportunities and Threats (SWOT) of Frodsham town centre are provided below.

Strengths

- A broad mix of food & beverage outlets and operators that provides a diverse offering and ensures a strong evening footfall.
- Well located Morrisons supermarket and associated car park able to support linked trips throughout the centre.
- A below average vacancy rate.
- Ample convenient and accessible parking across the centre.
- Above average retail and financial & business service offering.
- Strong transport connections – bus and train.
- Good road access/connectivity.

Weaknesses

- Under provision of convenience and comparison retail.
- Rising levels of crime.
- Footfall hasn't recovered to pre-pandemic levels.

Opportunities

- New uses brought in to address vacancies (education, residential, healthcare etc.).
- Improvements to cycle accessibility (routes and parking).

Threats

- Rising crime levels to negatively impact perceptions of safety in the centre.
- Further high street retail closures leading to further vacancies.
- High/increasing business operating costs.

139. Frodsham's retail and leisure offer is relatively limited but is consistent with the market town status and serves the day-to-day needs of its catchment. The Morrisons superstore ensures that the centre makes an important contribution in meeting main food shopping needs.
140. Frodsham is a modestly scaled town centre and therefore elements of its retail and leisure offer are limited. However, the overall vibrancy of the centre is considered to be strong.

Neston Town Centre

141. The Strengths, Weaknesses, Opportunities and Threats (SWOT) of Neston town centre are provided below.

Strengths

- Strong transport connections – bus and train stations.
- Good road access/connectivity.
- Footfall has been stable and has bounced back well post-pandemic.
- Ample convenient parking provision across the centre.
- Strong evening footfall levels – despite the leisure offer falling below the UK average.
- Outdoor market.

Weaknesses

- Environmental quality is impacted by the heavily trafficked road running through the centre.
- Environmental quality and perception of the centre is negatively impact by the vacant and derelict outlets located on Brook Street.
- High vacancy rates, which is noticeable given the size of the centre.

Opportunities

- Enhanced leisure offer to increase the weekday and weekend footfall further.
- New uses brought in to address vacancies (education, residential, healthcare etc.).
- Improvements to cycle accessibility (routes and parking).

Threats

- Rising crime levels to negatively impact perceptions of safety in the centre.
- Further high street retail closures.
- High/increasing business operating costs.

142. We therefore conclude that Neston provides a pleasant and welcoming environment that serves the day-to-day needs of its catchment consistent with its market town status.
143. Large format, national multiple convenience retailers assist in providing activity in the northern (Aldi) and central (Sainsbury's) parts of the town centre. However, low environmental quality along Brook Street does have a clear detrimental impact on the attractiveness of the centre.
144. Neston continues to face challenges to its vitality and viability, which is exemplified by its high vacancy rate.

5. MARKET RESEARCH: CATCHMENT AREA AND RETAIL MARKET SHARES

145. This section first explains the Study Area that has been defined to represent the area from which retail and leisure facilities in Cheshire West and Chester primarily draw trade. It then sets out headline findings in respect of shopping patterns across this area. The market shares are derived from Experian Insights data as an alternative to undertaking a household survey of local residents.
146. The Experian Insights data has the advantage of being derived from actual transactions. This means that the data is representative of the behaviour of all residents across the catchment area and is not reliant on the recollection of a limited sample of household survey respondents.
147. Experian Insights uses credit and debit card transactional data from four million customers across the UK. This data can be used to identify how much money is spent in specified locations and the origin of that spend (i.e. the customer's home location), categorised by different retail and leisure expenditure categories. This approach provides for a detailed understanding of actual customer behaviour.

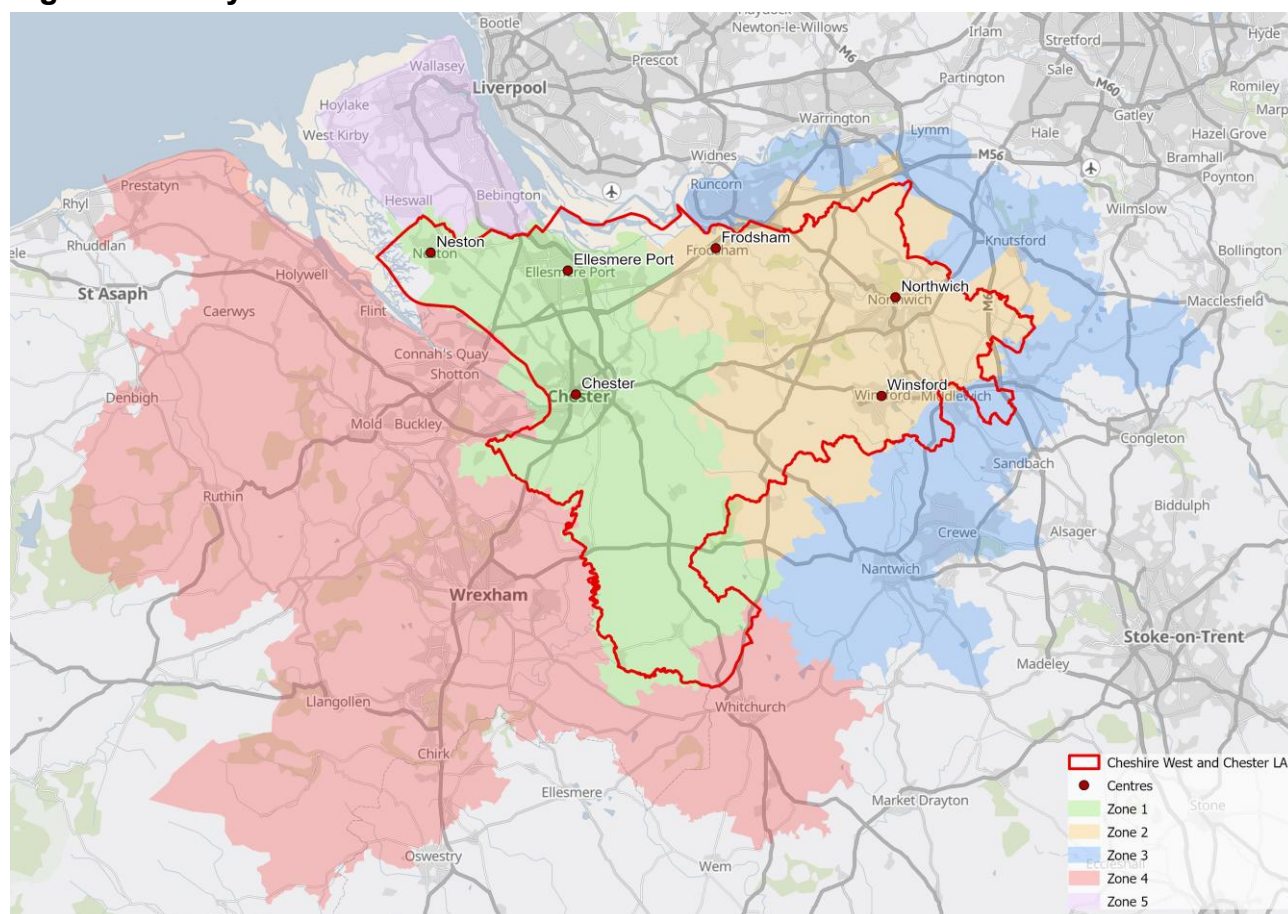
Study Area Definition

148. The defined Study Area seeks to correspond to the principal catchment area of Cheshire West and Chester's key retail and leisure attractions. The sub-division of the Study Area into five separate zones helps to provide an indication of differences in behaviour within the Study Area itself.
149. In this regard, the Study Area covers the Cheshire West and Chester authority area in its entirety as well as places beyond (including Runcorn, Knutsford, Sandbach, Nantwich, Whitchurch, Wrexham, and Buckley) where residents will seek to access facilities within the Borough to meet some of their needs.
150. The Study Area and zones are derived from postcode sector areas. In broad terms, the zones correspond to the following areas:
 - Zone 1 comprises western part of the Cheshire West and Chester authority area;
 - Zone 2 comprises the eastern part of the Cheshire West and Chester authority area;
 - Zone 3 comprises the Cheshire East, Warrington and Halton catchment;
 - Zone 4 comprises the North Wales and Shropshire catchment; and
 - Zone 5 comprises the Wirral catchment.
151. The below Table 2 confirms the composition of each zone with reference to postcode sector areas. Figure 6 then illustrates the full extent of the Study Area and the associated zones.
152. Zone 1 contains the centres of Chester, Ellesmere Port, and Neston. Zone 2 contains the centres of Northwich, Winsford, and Frodsham.

Table 2: Study Zones and Postcode Sectors

Zone	Postcode Sectors
1 – Western part of Cheshire West and Chester	CH88 3, CH70 8, CH99 9, SY14 7, SY14 8, CH1 1, CH1 2, CH1 3, CH2 1, CH2 2, CH2 3, CH3 5, CH64 0, CH64 1, CH64 2, CH64 3, CH64 4, CH64 5, CH64 6, CH64 7, CH64 8, CH64 9, CH65 0, CH65 1, CH65 2, CH65 3, CH65 4, CH65 5, CH65 6, CH65 7, CH65 8, CH65 9, CH66 0, CH66 1, CH66 2, CH66 3, CH66 4, CH66 5, CH66 6, CH66 7, CH66 8, CH66 9, CH1 4, CH1 5, CH4 7, CH4 8, CH1 6, CH4 9, CH2 4, CH3 6, CH3 7, CH3 8, CH3 9
2 – Eastern part of Cheshire West and Chester	WA16 9, CW9 5, CW9 6, CW9 7, CW9 8, CW10 9, CW6 0, CW6 9, CW7 1, CW7 2, CW7 3, CW7 4, CW8 1, CW8 2, CW8 3, CW8 4, WA6 0, WA6 6, WA6 7, WA6 8, WA6 9, WA4 4, WA7 3
3 – Cheshire East, Warrington and Halton catchment	SK11 9, WA16 0, WA16 6, WA16 7, WA16 8, WA4 6, CW4 7, CW4 8, CW10 0, CW11 1, CW11 3, CW1 2, CW1 3, CW1 4, CW1 5, CW1 6, CW2 6, CW2 7, CW2 8, CW5 5, CW5 6, CW5 7, CW5 8, WA4 3, WA4 5, WA7 1, WA7 2, WA7 4, WA7 5, WA7 6, WA13 0
4 – North Wales and Shropshire catchment	SY13 1, SY13 2, SY13 3, SY13 4, LL11 1, LL11 2, LL11 3, LL11 4, LL11 5, LL11 6, LL12 0, LL12 7, LL12 8, LL12 9, LL13 0, LL13 7, LL13 8, LL13 9, LL14 1, LL14 2, LL14 3, LL14 4, LL14 5, LL14 6, SY10 7, SY11 3, LL20 7, LL20 8, CH6 5, CH6 6, CH7 1, CH7 2, CH7 3, CH7 4, CH7 5, CH7 6, CH8 7, CH8 8, CH8 9, LL15 1, LL15 2, LL16 3, LL16 4, LL18 6, LL19 7, LL19 8, LL19 9, CH5 1, CH5 2, CH5 3, CH5 4, CH4 0
5 – Wirral catchment	CH60 0, CH60 1, CH60 2, CH60 3, CH60 4, CH60 5, CH60 6, CH60 7, CH60 8, CH60 9, CH62 0, CH62 1, CH62 2, CH62 3, CH62 4, CH62 5, CH62 6, CH62 7, CH62 8, CH62 9, CH63 0, CH63 1, CH63 2, CH63 3, CH63 4, CH63 5, CH63 6, CH63 7, CH63 8, CH63 9, CH61 1, CH61 2, CH61 3, CH61 4, CH61 5, CH61 6, CH61 8, CH61 9, CH42 1, CH42 2, CH42 4, CH61 0, CH48 1, CH48 2, CH48 3, CH48 4, CH48 5, CH48 6, CH48 7, CH48 8, CH48 9, CH48 0, CH47 0, CH47 1, CH47 2, CH47 3, CH47 4, CH47 5, CH47 6, CH47 7, CH47 8, CH47 9, CH61 7, CH49 0, CH49 1, CH49 2, CH49 3, CH49 4, CH49 5, CH49 6, CH49 7, CH49 8, CH49 9, CH46 0, CH46 1, CH46 2, CH46 3, CH46 4, CH46 5, CH46 6, CH46 7, CH46 8, CH46 9, CH45 0, CH45 1, CH45 2, CH45 3, CH45 4, CH45 5, CH45 6, CH45 7, CH45 8, CH45 9, CH44 0, CH44 1, CH44 2, CH44 3, CH44 4, CH44 5, CH44 6, CH44 7, CH44 8, CH44 9, CH41 0, CH41 1, CH41 2, CH41 3, CH41 4, CH41 5, CH41 6, CH41 7, CH41 8, CH41 9, CH42 0, CH42 3, CH42 5, CH42 6, CH42 7, CH42 8, CH42 9, CH43 0, CH43 1, CH43 2, CH43 3, CH43 4, CH43 5, CH43 6, CH43 7, CH43 8, CH43 9

Figure 6: Study Area and Zones



153. The market share of online expenditure is identified by zone and for the Study Area as a whole. Inflows of expenditure to Cheshire West and Chester's retail facilities from beyond the Study Area are also identified.
154. The Study Area (and general methodology employed) differs from that which was utilised by the 2016 RS. As such, a direct comparison of changes in market share over time is not possible.

Experian Insights Transactional Data

155. The Experian Insights transactional data relates to a 12-month period. As such, the data provides a good baseline for understanding how residents and visitors spend money on retail goods and leisure activities, taking account of variances that typically occur over a given year (e.g. seasonal activity).
156. The base data is provided in Volumes 2 in the following tables:
 - Table 1 of Appendix 2: Convenience Goods Expenditure;
 - Table 2 of Appendix 2: Comparison Goods Expenditure; and
 - Table 8 of Appendix 6: Leisure Food & Beverage Expenditure.
157. The same data is provided in Volume 3 in association with the population growth Scenario 2.
158. The above expenditure categories are comprised of the following Experian

expenditure sub-categories.

Table 3: Experian Insights Expenditure Categories

Expenditure Categories	Sub-Sectors
Convenience goods	Alcoholic Beverages; Confectionary; Convenience Stores; Corner Shops and Newsagents; Health and Nutrition; Non-alcoholic Beverages; Specialist Grocery; Supermarkets
Comparison goods	Baby and Childrenswear; Bags and Accessories; Beauty Products; Books and Stationery; Cards and Gifts; Department Stores; Discount Retailers; DIY and Interior Design; Electronics and Appliances; Florists; Furniture; Garden; Health; Household Products; Jewellery and Watches; Lingerie; Menswear; Other – General Retail; Pets; Shoes; Sports Equipment & Clubs; Sportswear; Unisex; Womenswear; Toys and Gaming Florists; Jewellery and Watches; Menswear; Shoes; Sportswear; Unisex; Womenswear
Leisure Food and Beverage	Cafes and Coffee Shops; Fast Food Chains; Food Delivery Services; Pubs and Bars; Restaurants

Retail Expenditure Patterns

159. All transactional data and LSH's CREAT^e economic model are provided at Volumes 2 and 3. The transactional data supplied by Experian Insights in respect of retail expenditure is presented in Tables 1 and 2 of Appendix 2 of both volumes. For the avoidance of doubt, below references to tables and appendices apply to both Volume 2 and Volume 3.
160. Population and retail expenditure data for the Study Area zones has been derived from Experian Location Analyst software, which is set out in Tables 1 to 5 of Appendix 3 (for both convenience and comparison goods). The Experian transactional figures relate to the expenditure which Experian Insights is able to identify and track. Whilst this is a significant proportion of overall expenditure, it is not the entirety of the expenditure apparent in the area. As such, it is necessary to use the Experian Insights data to create market shares for particular destinations. The overall Study Area market shares are calculated with reference to the overall 'pot' of expenditure that is available within each zone and across the Study Area as a whole.
161. The transactional figures are presented in percentage and monetary terms for the base year of 2025 in Tables 1 to 2 of Appendix 4 and Appendix 5 respectively for convenience and comparison goods. Key findings in respect of retail expenditure patterns across the Study Area are set out below.
162. It should be noted that existing defined town centre boundaries have been used to define the extent of in-centre destinations within Cheshire West and Chester. Experian Insights has defined the extent of retail parks with reference to the layout

of each park. In the analysis that follows, Cheshire Oaks comprises the designer outlet village together with the adjacent Coliseum Shopping Park and Marks & Spencer store. Greyhound Retail Park includes both phases of Greyhound along with Deva Retail Park and Chester Retail Park. In both cases, retail provision is adjacent and to a large degree forms a single retail destination.

Foodstore/Convenience Goods Expenditure

163. Experian Insights findings in respect of expenditure committed in foodstores are provided below at Table 4. The market shares relate to 2025 as base year. In viewing the below, it should be noted that Zones 1 and 2 (in particular) are large areas, encompassing rural areas at the periphery which may be well placed to source grocery goods from shops in immediately adjacent zones. In this context, we note that 'bricks and mortar' retailers within Zone 1 retain 66.5% of convenience expenditure which originates within that zone. Within Zone 2, retailers retain 65.8% of convenience expenditure which originates within that zone.
164. In Zone 1, the retention rate reflects the presence of main food shopping facilities just outside the zonal boundary at Broughton Shopping Park, The Croft Retail & Leisure Park in Bromborough, and at Queensferry. The location of such facilities means that such 'leakage' is still reflective of sustainable shopping patterns.
165. Within Zone 1, key destinations include:
 - Caldley Valley Retail Park, which accommodates a large Sainsbury's superstore and secures a market share of 7.1% of Zone 1 convenience expenditure and 1.2% of overall Study Area convenience expenditure;
 - Greyhound Retail Park, which accommodates a large Asda superstore and secures a market share of 5.6% of Zone 1 convenience expenditure and 1.1% of overall Study Area convenience expenditure;
 - Ellesmere Port town centre, which accommodates Asda, Aldi and Food Warehouse stores and secures a market share of 5.3% of Zone 1 convenience expenditure and 0.9% of overall Study Area convenience expenditure; and
 - Neston town centre, which accommodates a large Sainsbury's superstore and an Aldi store and secures a market share of 5.1% of Zone 1 convenience expenditure and 0.8% of overall Study Area convenience expenditure.
166. Within Zone 2, key destinations include:
 - Northwich town centre, which accommodates Asda, Sainsbury's, Aldi and Lidl stores and secures a market share of 19.4% of Zone 2 convenience expenditure and 3.7% of overall Study Area convenience expenditure; and
 - Winsford town centre, which accommodates Asda and Aldi stores and secures a market share of 10.1% of Zone 2 convenience expenditure and 1.9% of overall Study Area convenience goods expenditure.
167. Northwich town centre is therefore (by some distance) the defined centre with the greatest convenience Study Area market share.
168. Across the Study Area as a whole, it is evident that Zone 5 is the zone with the

greatest convenience expenditure retention rate (79.2% of convenience goods expenditure which originates within the zone is spent in the zone). However, it is important to note that Zone 5 is bounded by water to the north, east and west, and that this assists significantly in stemming any expenditure 'leakage' away from the zone. Zone 3 has a convenience goods retention rate of 57.4% and Zone 4 has a retention rate of 71.5%. In this context, and noting the geography of the Study Area, the retention rate secured within Zones 1 and 2 is considered to be respectable and not indicative of any issue in respect of provision and customer choice. Identified patterns of online expenditure are broadly similar across all five zones ranging from 11.2% in Zone 5 to 12.4% in Zone 1.

Table 4: Distribution of Foodstore/Convenience Retail Expenditure (All Figures %)

Zone	Location	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Total
1	Cheshire Oaks	4.6	0.7	0.2	0.3	0.6	1.0
	Chester City Centre	3.4	0.3	0.0	0.3	0.1	0.6
	Chester – Caldy Valley RP	7.1	0.4	0.0	0.3	0.0	1.2
	Chester – Faulkner Street	0.8	0.0	0.0	0.0	0.0	0.1
	Chester – Greyhound RP	5.6	0.2	0.0	0.8	0.1	1.1
	Ellesmere Port TC	5.3	0.1	0.0	0.1	0.2	0.9
	Ellesmere Port RP	0.0	0.0	0.0	0.0	0.0	0.0
	Little Sutton Local Centre	0.8	0.0	0.0	0.0	0.0	0.1
	Neston Town Centre	5.1	0.0	0.0	0.0	0.4	0.8
	Other CWAC	31.2	1.7	0.1	1.3	0.6	5.3
	Other Outside CWAC	2.6	0.0	0.0	0.7	0.0	0.5
	Sub Total Zone 1	66.5	3.4	0.4	3.7	2.1	11.7
2	Northwich Town Centre	0.1	19.4	1.1	0.0	0.0	3.7
	Northwich RP	0.0	6.4	0.5	0.0	0.0	1.2
	Tarporley Town Centre	0.2	1.8	0.1	0.0	0.0	0.4
	Winsford Town Centre	0.1	10.1	0.4	0.0	0.0	1.9
	Winsford – Wharton RP	0.0	0.0	0.0	0.0	0.0	0.0
	Frodsham Town Centre	0.1	2.0	0.2	0.0	0.0	0.4
	Other CWAC	1.5	22.3	0.9	0.1	0.1	4.4
	Middlewich TC (Cheshire East)	0.0	1.2	0.8	0.0	0.0	0.4
	Other Outside CWAC	0.1	2.6	1.5	0.0	0.0	0.8
	Sub Total Zone 2	2.1	65.8	5.5	0.1	0.1	13.1
3	Zone 3 Locations	0.5	8.2	57.4	0.3	0.1	14.4
4	Zone 4 Locations	8.5	0.9	0.6	71.5	0.5	19.6
5	Zone 5 Locations	4.8	0.2	0.1	0.2	79.2	17.0
	Outside Study Area	5.2	9.3	24.1	12.8	6.8	12.4
	Online Expenditure	12.4	12.2	11.8	11.4	11.2	11.7
CWAC Sub Total		65.9	65.4	3.6	3.1	2.1	23.1
Total		100.0	100.0	100.0	100.0	100.0	100.0

Source: Table 1 of Appendix 4, Volume 2

Note: CWAC authority area broadly corresponds to Zones 1 and 2; the identified market share for the authority area relates to market share of these zones adjusted to account for Middlewich being in Cheshire East and to account for all other Zone 1 and 2 destinations outside the authority area

Comparison Retail Expenditure

169. Experian Insights findings in respect of expenditure committed at comparison goods retailers is set out below at Table 5. Once again, the market shares are at 2025 base year. The table underlines the role played by online retail in meeting modern comparison shopping needs, along with the use of retail parks and out of centre destinations. 'Bricks and mortar' comparison retailers within Zone 1 retain 43.8% of comparison expenditure which originates within that zone. The market share of retailers in Zone 2 is substantially lower, with retailers within this zone retaining just 19.9% of comparison expenditure originating within the same zone. The disparity in these retention rates reflects not only the presence of Chester city centre within Zone 1, but also Cheshire Oaks and Greyhound Retail Park (in Chester) within that zone.
170. Within Zone 1, key destinations therefore include:
- Chester city centre, which is the traditional sub-regional retail centre and secures a market share of 10.5% of Zone 1 comparison expenditure and 3.2% of overall Study Area comparison expenditure;
 - Greyhound Retail Park at Sealand Road in Chester, which accommodates Boots, Currys, Dunelm, Next and others, and which secures a market share of 8.6% of Zone 1 comparison expenditure and 2.4% of overall Study Area comparison expenditure;
 - Cheshire Oaks, which accommodates a comprehensive range of mid-market and premium brands in an outlet format, has a 6.6% market share of Zone 1 comparison expenditure and 3.0% of overall Study Area comparison expenditure; and
 - Ellesmere Port Retail Park, which accommodates B&M, Home Bargains and JYSK, secures a market share of 2.6% of Zone 1 comparison expenditure and 0.5% of overall Study Area comparison expenditure.
171. Within Zone 2, key destinations include:
- Northwich town centre, which accommodates a number of large national multiples and smaller independent retailers, secures a market share of 7.5% of Zone 2 comparison expenditure and 1.4% of overall Study Area comparison expenditure; and
 - Winsford town centre, which accommodates a limited range of national multiple fashion operators, together with discount variety operators and independents, secures a market share of 1.7% of Zone 1 convenience expenditure and 0.3% of overall Study Area convenience expenditure.
172. The venues that are able to attract expenditure across all five zones are Chester city centre (with an overall Study Area market share of 3.2%), Cheshire Oaks (3.0%), and Greyhound Retail Park (2.4%). It is evident that Cheshire Oaks and other out of centre destinations play a significant role in meeting comparison shopping needs. The market share of Chester city centre is considered to be relatively limited given its historical sub-regional comparison goods shopping role.
173. Across the Study Area as a whole, Zone 1 is the zone with the greatest

comparison expenditure retention rate. In this regard, 43.8% of comparison goods expenditure which originates within the zone is spent in the zone. A relatively limited proportion (19.3%) of comparison expenditure that originates within this zone is spent at 'bricks and mortar' destinations outside of the zone.

174. Zone 2 has the lowest comparison retail expenditure retention rate of all five zones (this being 19.9%), which is reflective of its comparison offer being focused around day-to-day needs with limited clothing and big ticket retail provision. As one would expect, online retailing plays a very significant role in respect of comparison goods shopping across all five zones with this form of retailing securing between 36.9% (Zone 1) and 42.1% (Zone 5) of zonal expenditure. It is notable that the strong comparison goods provision within Zone 1 appears to result in residents of this zone spending a lesser proportion of comparison expenditure online.

Table 5: Distribution of Comparison Retail Expenditure (All Figures %)

Zone	Location	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Total
1	Cheshire Oaks	6.6	2.9	1.5	2.3	3.0	3.0
	Chester City Centre	10.5	2.4	0.8	3.4	1.1	3.2
	Chester – Caldy Valley RP	0.6	0.0	0.0	0.0	0.0	0.1
	Chester – Faulkner Street	0.0	0.0	0.0	0.0	0.0	0.0
	Chester – Greyhound RP	8.6	1.1	0.1	3.4	0.5	2.4
	Ellesmere Port TC	0.6	0.0	0.0	0.0	0.0	0.1
	Ellesmere Port RP	2.6	0.1	0.0	0.0	0.3	0.5
	Little Sutton Local Centre	0.0	0.0	0.0	0.0	0.0	0.0
	Neston Town Centre	0.1	0.0	0.0	0.0	0.0	0.0
	Other CWAC	13.7	3.1	0.4	3.8	4.3	4.5
	Other Outside CWAC	0.5	0.1	0.0	0.4	0.1	0.2
	Sub Total Zone 1	43.8	9.8	2.9	13.4	9.4	14.1
2	Northwich Town Centre	0.0	7.5	0.6	0.0	0.0	1.4
	Northwich RP	0.0	3.9	0.6	0.0	0.0	0.8
	Tarporley Town Centre	0.0	0.0	0.0	0.0	0.0	0.0
	Winsford Town Centre	0.0	1.7	0.1	0.0	0.0	0.3
	Winsford – Wharton RP	0.0	1.1	0.1	0.0	0.0	0.2
	Frodsham Town Centre	0.0	0.4	0.1	0.0	0.0	0.1
	Other CWAC	0.1	4.7	0.3	0.0	0.0	0.9
	Middlewich TC (Cheshire East)	0.0	0.7	0.6	0.0	0.0	0.3
	Other Outside CWAC	0.0	0.1	0.0	0.0	0.0	0.0
	Sub Total Zone 2	0.3	19.9	2.3	0.1	0.0	4.1
3	Zone 3 Locations	0.3	4.5	21.0	0.3	0.1	5.9
4	Zone 4 Locations	4.2	1.0	0.4	34.4	0.5	8.9
5	Zone 5 Locations	3.2	0.2	0.1	0.3	30.5	6.9
-	Outside Study Area	11.4	22.5	31.7	14.5	17.3	20.1
	Online Expenditure	36.9	42.0	41.6	37.1	42.1	40.0
CWAC Sub Total		43.6	28.9	4.5	13.0	9.3	17.7
Total		100.0	100.0	100.0	100.0	100.0	100.0

Source: Table 1 of Appendix 5, Volume 2

Note: CWAC authority area broadly corresponds to Zones 1 and 2; the identified market share for the authority area relates to market share of these zones adjusted to account for Middlewich being

in Cheshire East and to account for all other Zone 1 and 2 destinations outside the authority area

175. Important comparison retail destinations within Zones 3, 4 and 5 include:
- Grand Junction Retail Park in Crewe which is located within Zone 3 and secures 5.9% of comparison expenditure that originates within that zone and 1.7% of all such Study Area expenditure;
 - Broughton Shopping Park in Flintshire which is located within Zone 4 and secures 4.2% of comparison expenditure that originates within that zone and 1.5% of all such Study Area expenditure; and
 - The Croft Retail & Leisure Park in Bromborough which is located within Zone 5 and secures 8.3% of comparison expenditure that originates within that zone and 2.0% of all such Study Area expenditure.
176. All three of these destinations are able to draw a material level of trade from the Cheshire West and Chester area. Grand Junction Retail Park secures 1.4% of comparison expenditure that originates within Zone 2, and Broughton Shopping Park and The Croft Retail & Leisure Park respectively secure 1.9% and 1.8% of the comparison expenditure that originates within Zone 1.
177. Popular comparison retail destinations outside the Study Area are: Liverpool city centre (which secures a market share of 4.4% of Study Area comparison expenditure); The Trafford Centre (2.2%); and, Manchester city centre (1.3%).

'Inflow' From Outside the Study Area

178. Experian Insights data identifies transactional expenditure within the Study Area made by UK visitors that reside outside. Using this data, we are able to estimate the percentage uplift on expenditure retained within the Cheshire West and Chester area. Expenditure inflow is estimated for the base year 2025 alongside the baseline market shares for convenience retail (Table 2, Appendix 4) and comparison retail (Table 2, Appendix 5).
179. The below Table 6 identifies the percentage uplift secured from expenditure that originates from outside the defined Study Area but is spent in destinations within Cheshire West and Chester. The uplift relates to the scale of the monetary inflow figure relative to the turnover of the venue relative to its turnover originating from the Study Area. We then provide an additional column which relates to the proportion of the venue's overall turnover which is attributable to inflow.
180. The results show the considerable importance of visitor expenditure in supporting centre market shares, particularly for comparison retail businesses.
181. In respect of convenience retail, the two destinations which secure the greatest proportion of turnover as inflow are Cheshire Oaks and Chester city centre. Cheshire Oaks is principally a comparison retail destination, but visitors from outside the Study Area are clearly taking the chance to pick up lunch from grocery stores and undertake more substantive grocery shopping as part of their visit.
182. Chester city centre also attracts a significant level of convenience retail inflow which will be reflective of those that commute into the centre from outside the Study Area, and from day and overnight visitors to the area.

Table 6: Percentage Uplift on Retained Resident Study Area Expenditure & Proportion of Total Turnover Attributed to Uplift (All Figures %)

Zone	Location	Convenience		Comparison	
		% Uplift on Resident Spend	% of Total Spend	% Uplift on Resident Spend	% of Total Spend
1	Cheshire Oaks	24.6	19.7	151.4	60.2
	Chester City Centre	14.4	12.6	37.3	27.2
	Chester – Caldy Valley RP	3.9	3.7	4.5	4.3
	Chester – Faulkner Street	11.3	10.2	7.3	6.8
	Chester – Greyhound RP	4.3	4.1	6.0	5.6
	Ellesmere Port TC	2.8	2.8	3.4	3.3
	Ellesmere Port RP	0.0	0.0	3.5	3.3
	Little Sutton Local Centre	4.1	3.9	0.0	0.0
	Neston Town Centre	2.1	2.1	3.3	3.2
	Other CWAC	5.0	4.8	12.8	11.4
2	Northwich Town Centre	2.9	2.8	4.8	4.3
	Northwich RP	3.6	3.5	0.0	0.0
	Tarporley Town Centre	5.4	5.1	0.0	0.0
	Winsford Town Centre	2.9	2.8	0.0	5.8
	Winsford – Wharton RP	0.0	0.0	0.0	0.0
	Frodsham Town Centre	7.3	6.8	3.5	3.4
	Other CWAC	4.1	4.0	13.1	11.5
CWAC Destinations Inflow		5.2	4.9	37.9	27.5

Source: Table 2 of Appendices 4 and 5, Volume 2

183. In respect of comparison retail, Cheshire Oaks is the beneficiary of the highest level of inflow with the majority of its turnover (60.2%) attributable to visitors from outside of the Study Area. The comparison inflow for Chester city centre equates to over a quarter (27.2%) of its turnover. It should be noted that the Study Area is extensive and the significant comparison retail underlines the attraction of the area for UK visitors.
184. The identified inflow rates do not take account of expenditure from overseas visitors (as Experian Insights is unable to capture these transactions). Both Cheshire Oaks and Chester city centre will be able to secure significant retail expenditure from overseas visitors.

6. RETAIL CAPACITY ASSESSMENT

185. This section sets out the results of the retail capacity ('need') assessment for additional retail floorspace across the Cheshire West and Chester authority area as a whole and for Chester city centre as its sub-regional centre.
186. The capacity assessment is undertaken over a 15-year period from base year 2025 to 2040. This timeframe accords with the period for which Experian provides expenditure growth and SFT forecasts. We report in five year increments to consider changes in retail need over time.
187. We are unable to provide a numerical assessment to 2045 given that this is significantly in excess of the period for which Experian provides growth forecasts for. However, this is not considered to be an issue given that the paragraph 22 of the NPPF identifies that town centre policies need not look even as far ahead as 15 years. In any event, as we go on to explain in more detail, it is not considered that the position in respect of retail capacity over the long term (i.e. from 2040 to 2045) will be materially different to that identified at 2040.
188. The detailed economic capacity tabulations are set out at Volume 2 (population growth Scenario 1) and Voume 2 (population growth Scenario 2) of the Study.

The CREAT^e Model

189. The CREAT^e economic model has been designed, developed and tested by the LSH team over more than 25 years to assess the capacity for and impact of new retail (convenience and comparison retail) floorspace development. The evidence-based model has helped to inform and guide plan-making and decision-taking at the local, sub-regional, and regional level. In brief, the CREAT^e (Excel-based) model adopts a transparent 'step-by-step' approach in which all the key assumptions and forecasts can be easily tested.
190. The Experian Insights data provides the basis for the retail capacity assessment which uses the CREAT^e model to forecast future convenience and comparison retail needs.
191. At the outset it has been assumed for the purpose of the capacity assessment that the local retail market in Cheshire West and Chester is in 'equilibrium' at the base year. In other words, all existing centres/stores are broadly assumed to be trading in line with expected average ('benchmark') turnover levels. This is considered the appropriate approach as it reflects the impact of the economic downturn and the significant growth in online sales on the trading levels and performance of retailers and stores across the UK. It also reflects the outputs of the health check assessments of the principal centres. A number of new supermarkets have opened in the Borough in recent years and the stock of vacant floorspace suggests that there is no pressing immediate quantitative requirement for additional convenience or comparison retail floorspace.

192. The main challenge and focus over the short/medium term in response to market trends and the impact of rising cost inflation will be to retain existing occupiers and to redevelop/repurpose vacant retail floorspace to attract new businesses and uses.
193. In simple terms, any residual expenditure available to support new retail floorspace over the period to 2040 will be generated by the difference between the forecast growth in current turnover levels (as defined with reference to the Experian Insights transactional data) and future growth in the turnover of existing and committed retail floorspace after applying robust year-on-year 'productivity' ('turnover efficiency') growth rates.
194. It is important to underline that medium to long term forecasts should be treated with caution, as they will be influenced by the dynamic changes in economic, demographic and market trends. As identified previously (see Section 2), paragraph 90 of the NPPF states that local planning authorities should meet the need for retail and town centre uses looking at least ten years ahead.
195. Paragraph 004 of the Town Centres and Retail PPG also states that, given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments '*...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.*'
196. Therefore, whilst this Study provides a quantitative assessment of retail capacity up to 2040, it is strongly recommended that greater weight should be placed by the local planning authority on forecasts across the next five to ten years.
197. The capacity forecasts set out in this section provide the Council with a broad indication of the (quantitative) need for new retail (convenience and comparison) floorspace across the authority area and within Cheshire West and Chester's principal centres. In turn, this will inform whether there is a need to identify and allocate additional sites to meet any forecast need, in accordance with national planning policy requirements.

Key Assumptions and Forecasts

198. The capacity assessment requires an understanding of future changes in per capita expenditure and population growth will affect the amount of expenditure available across the Study Area. Any future Study Area population growth is then distributed to retail venues in accordance with the market shares identified by the Experian Insights transactional data.
199. We set out below our key assumptions in respect of: the current and forecast Study Area population; per capita expenditure growth; and SFT.

Base Year Population and Future Projections

200. Two different population growth scenarios have been modelled.
201. Population growth Scenario 1 relates to Experian's forecast future increases in population across the Study Area. This is based on past levels of population

growth informed by local demographics. LSH's full CREAT[®] capacity model tables for population growth Scenario 1 are provided as Volume 2 of the Study.

202. Appendix 3 of Volumes 2 and 3 sets out the latest base year (2025) population estimates for the five Study Area zones sourced from Experian's Location Analyst Geographic Information System. Experian's population data is informed by the Office of National Statistics' (ONS) 2018-based 'Sub-National Population Projections' (SNPP) and the population growth previously achieved within given areas.
203. The population forecasts for Scenario 1 are set out in Table 1, Appendix 3 of Volume 2.
204. Key Scenario 1 population headlines are as follows:
 - the total Study Area population is forecast to increase by an estimated 53,494 people from 1,356,972 people to 1,410,466 people between 2025 and 2040 (equating to a 3.9% increase);
 - the combined population of Zones 1 and 2 is forecast to increase by an estimated 28,462 people between 2025 and 2040; and
 - the total Cheshire West and Chester population is forecast to increase by an estimated 27,312 people between 2025 and 2040.
205. Population growth Scenario 2 relates to the level of growth that would be delivered through the Government's standard method of assessing housing need.
206. We have been informed by Council Officers that the standard method provides for a forecast increase in Cheshire West and Chester population from 369,026 people in 2024 to 452,109 people in 2044. The estimate for 2024 is considered broadly consistent with Experian's population estimate for 370,321 people at 2025. Accordingly, Experian's population forecasts are used at base year 2025.
207. Thereafter, Scenario 2 population growth has been estimated based on the following assumptions and principles:
 - the forecast standard method population growth of 83,083 people to 2044 will be delivered through the same level of average annual growth;
 - on this basis, the growth from 370,321 people at 2025 to 452,109 people at 2044 equates to annual average growth of 4,305 people per annum;
 - this equates to a Cheshire West and Chester population of 434,890 at 2040 (i.e. growth of 64,569 people across 15 years); and
 - this growth is then distributed across Zones 1 and 2 based on their existing population.
208. This approach results in an increase of 37,341 people across Zone 1 between 2025 and 2040 (from 228,470 people in 2025 to 265,811 people in 2040). Across Zone 2, the methodology provides for an increase of 27,229 people (from 166,600 people in 2025 to 193,829 people in 2040).
209. It should be noted that these two zones broadly accord with the extent of the Cheshire West and Chester authority area but do not do so exactly. However, where there are differences in the areas, these generally relate to rural areas

which are less likely to be subject to future population growth. As such, the above approach is considered suitable in providing for an estimate of retail capacity arising from growth delivered under the standard method.

210. It should be noted that for population growth Scenario 2, growth across Zones 3, 4 and 5 continues to be modelled with reference to Experian population forecasts. The majority of expenditure in these areas is committed elsewhere and use of Experian population forecasts across peripheral zones is commonplace in studies of this nature.
211. The population forecasts for Scenario 2 are set out in Table 1, Appendix 3 in Volume 3.
212. Key Scenario 2 population headlines are as follows:
 - the total Study Area population is forecast to increase by an estimated 89,601 people from 1,356,972 people to 1,446,573 people between 2025 and 2040 (equating to a 6.6% increase); and
 - the combined population of Cheshire West (and Zones 1 and 2) is forecast to increase by an estimated 64,569 people between 2025 and 2040.
213. The respective CREAT^e economic capacity models for Scenarios 1 and 2 are provided at Volumes 2 and 3 of this report. The expenditure inputs and assumptions outlined below have been applied to both models with the key difference between each solely relating to future population growth (and associated differences in overall available expenditure). The tables and appendices referred to below can be found in both Volume 2 and Volume 3.

Expenditure Per Capita & Special Forms of Trading (SFT)

214. The baseline expenditure per capita figures and forecasts are presented in Table 2 of Appendix 3 for convenience retail and Table 4 of Appendix 2 for comparison retail. The baseline expenditure per capita figures are derived from Experian Location Analyst GIS. All expenditure and turnover figures are expressed in 2023 prices.
215. Future growth in per capita expenditure reflects the forecasts provided by Experian Retail Planner Briefing Note 22 ('RPBN22'), published in March 2025. Experian forecasts relatively limited year-on-year growth in retail expenditure reflecting the general economic position and market trends (including the greater propensity of shoppers to visit discount foodstores which generally drives average grocery expenditure downwards).
216. Experian's forecasts show a reduction in per capita convenience retail expenditure in 2024 (-0.5%) and 2025 (-0.2%), thereafter effectively 'flatlining' with limited annual variation. For comparison retail, Experian forecasts a -1.2% reduction in per capita expenditure at 2024 followed by a sustained period of relatively healthy growth. Experian predicts that per capita growth in comparison goods expenditure will settle at around +2.8% per annum on average up to 2040. Our forecasts take account of Experian's forecast changes in future per capita convenience and comparison goods expenditure.

Special Forms of Trading ('SFT')

- 217. In identifying expenditure per capita, an allowance has been made for the market share of non-store retail sales (i.e. special forms of trading) at the base year, informed by zonal online market shares identified by the Experian Insights data.
- 218. These market shares have been 'adjusted' to take account of goods sourced from traditional ('physical') retail space based on Experian RPN22. Experian assumes that 25% of SFT market share for comparison goods and 70% for convenience goods relates to purchases made in bricks and mortar stores. This element of SFT expenditure is therefore available to support shops as the goods are picked from stores' shelves and the turnover contributes to stores' ongoing viability.
- 219. The adjusted baseline SFT market shares across the Study Area in 2025 are 3.5% for convenience goods and 30% for comparison goods and are forecast to increase to 4.9% and 36.5% respectively by 2040 based on the growth rates forecast by RPN22.

Total Available Expenditure: Population Growth Scenario 1

- 220. For convenience retailing, there is a forecast decline in total available expenditure of -1.5% (-£58.7m) between 2025 and 2040 across the overall Study Area (see Table 3, Appendix 3).
- 221. In contrast, there is forecast growth for comparison goods retailing. Our assessment identifies +36.4% (+£1,559m) growth in total comparison goods expenditure by 2040 across the Study Area (see Table 5, Appendix 3).
- 222. The decline in total available convenience expenditure is principally related to an annual decline in the rate of convenience goods expenditure per head combined with an increasing propensity to purchase groceries online. These two factors outstrip any growth in available expenditure linked to population growth over the Study period.

Total Available Expenditure: Population Growth Scenario 1

- 223. For convenience retailing, there is a forecast decline in total available expenditure of -1.5% (-£58.7m) between 2025 and 2040 across the overall Study Area (see Table 3, Appendix 3 of Volume 2).
- 224. In contrast, there is forecast growth for comparison goods retailing. Our assessment identifies +36.4% (+£1,559m) growth in total comparison goods expenditure to 2040 across the Study Area (see Table 5, Appendix 3 of Volume 2).
- 225. The decline in total available convenience expenditure is principally related to an annual decline in the rate of convenience goods expenditure per head combined with an increasing propensity to purchase groceries online. These two factors outstrip any growth in available expenditure linked to population growth over the Study period.

Total Available Expenditure: Population Growth Scenario 2

- 226. For population growth Scenario 2, the additional expenditure generated by a greater population means that there is positive growth in respect of both convenience and comparison retail.
- 227. For convenience retailing, there is a forecast limited increase in total available expenditure of +1.1% (£42.5m) between 2025 and 2040 across the overall Study Area (see Table 3, Appendix 3 of Volume 3).
- 228. Under population growth Scenario 2, our assessment identifies +40.2% (+£1,721m) growth in total comparison goods expenditure to 2040 across the Study Area (see Table 5, Appendix 3 of Volume 3).

Market Share Analysis

- 229. The next key stage in the capacity assessment involves allocating convenience and comparison expenditure generated within the Study Area to identified centres, retail parks, and other retail destinations. This exercise utilises the Experian Insights convenience and comparison expenditure categories as set out at Table 3 of this report.
- 230. The allocation of expenditure is based on the market shares identified for the Study Area as set out at Table 3 of Appendices 4 and 5.
- 231. For the retail capacity assessment, market shares have been adjusted for both convenience goods and comparison goods to exclude SFT (as this expenditure has been deducted from available expenditure). The forecast turnovers are based on constant market shares, i.e. it is assumed that there are no changes in where people. The 'constant market share approach' is standard practice for strategic retail capacity assessments. This approach does not take account of the potential impact that new retail investment and development (both within and outside Cheshire West and Chester) could have on shoppers' behaviour over time. The delivery of retail floorspace within and in proximity to the Study Area should therefore be monitored going forward.
- 232. The monetary market shares identified for centres in the Study Area represent the estimated turnover from which capacity is identified. We forecast the turnover of specific retail destinations, across zones and across the Study Area as a whole for the assessment years 2030, 2035, and 2040. These figures are provided at Table 4 of Appendices 4 and 5.
- 233. Account has been made for the inflow of expenditure from beyond the Study Area in accordance with Experian Insights data.

Floorspace Productivity

- 234. A key input to the retail capacity assessment is the application of a year-on-year floorspace 'productivity' growth rate to all existing and new retail floorspace. As described in Section 3, existing retailers will need to achieve higher annual 'productivity' growth rates to cover their increasing costs (including, for example, rising rents, business rates and wages). This increase in turnover is required for

existing retailers to remain viable over the short, medium, and long term. Increases in floorspace productivity are important to counter ongoing increases in overheads.

235. For all existing and new retail floorspace we allow for the 'productivity' growth rates set out in Experian RPN22. These are described in more detail in Section 3. For convenience goods, annual 'productivity' growth rates of -2.3% for 2024, +0.0% for 2025, +0.1% for 2026, and +0.1% for 2027-40 have been applied. For comparison goods, the applicable annual productivity growth rates are -0.1% for 2024, +0.5% for 2025, +1.7% for 2026, and +2.5% for 2027-2040.

Retail Commitments

236. The next step in the retail capacity assessment is to take account of all significant convenience and comparison retail floorspace commitments and planned development at the time of preparing this Study. Our assessment estimates the likely turnover of future committed floorspace and removes this turnover from any identified future expenditure surplus. All retail floorspace commitments have been provided by the Council.
237. It should be noted that Class E allows for changes in the use of commercial floorspace without the requirement for planning permission. As such, there will be significant changes in commercial uses secured over the forthcoming plan period. In this context, it is considered appropriate in factoring in commitments to account for only those that provide for more than 500 sq.m of gross retail floorspace.
238. Table 10 of Appendix 4 provides for a total of 1,374 sq.m of additional committed convenience net sales floorspace. This comprises the following.
- **Planning application reference 22/00579/FUL** – Erection of front and rear extensions and amalgamation of Units 3 and 4 at Caldys Valley Retail Park in Great Boughton to provide for occupation by Lidl. Approved 30 March 2022. This planning permission provides for a foodstore with 2,126 sq.m gross floorspace and a net sales area of 1,404 sq.m. Of this, 1,123 sq.m would be dedicated to convenience goods sales. Based on Lidl's company average sales density (as proposed occupier), we estimate that the convenience goods floorspace associated with this planning permission would have a turnover of £9.64m at 2025.
239. Table 10 of Appendix 5 provides for a total of 2,375 sq.m of additional committed comparison net sales floorspace. This includes floorspace associated with the above two commitments and a third planning permission which is expected to support solely comparison goods floorspace. The comparison commitments comprise the following.
- **Planning application reference 22/00579/FUL** – Erection of front and rear extensions and amalgamation of Units 3 and 4 at Caldys Valley Retail Park in Great Boughton to provide for occupation by Lidl. Approved 30 March 2022. This planning permission provides for a foodstore with 2,126 sq.m gross floorspace and a net sales area of 1,404 sq.m. Of this, 281 sq.m would be dedicated to comparison goods sales. Based on Lidl's company average sales

density, we estimate that the comparison goods floorspace associated with this planning permission would have a turnover of £1.30m at 2025.

- **Planning application reference 24/01386/NMA** – Demolition of existing buildings and replacement with new internal and external garden centre sales area including retail concessions at Tarporley Garden Centre at Tarporley Road in Delamere. Planning permission reference 24/01386/NMA was approved 19 June 2024. The permission provides for an uplift of 1,674 sq.m in respect of gross floorspace and for 584 sq.m of gross concessions floorspace. It is assumed that this will equate to additional net comparison goods sales of 1,806 sq.m. Based on an assume sales density reflecting the principal gardening use, we estimate that the comparison goods floorspace associated with this planning permission would have a turnover of £5.45m at 2025.

Retail Capacity Forecasts

240. The below Table 7 provides overall retail capacity forecasts across the Cheshire West and Chester authority area under population growth Scenario 1, and disaggregates this assessment to provide a future capacity forecast for Chester city centre, across the remainder of Zone 1, and for Zone 2.
241. The detailed capacity tabulations for convenience and comparison goods are set out at Tables 6 to 14 (inclusive) of Appendices 4 and 5 in Volume 2. The below summary table represents the position once commitments have been accounted for.

Table 7: Population Growth Scenario 1 – Net Retail Floorspace Capacity Forecasts

Destination	Convenience Goods Capacity (net sq.m)			Comparison Goods Capacity (net sq.m)		
	2030	2035	2040	2030	2035	2040
Chester CC	-37	-57	-76	-919	-1,553	-2,175
Other Zone 1	-1,343	-1,659	-1,953	-3,358	-5,523	-7,647
Zone 2	-632	-981	-1,305	-1,872	-2,536	-3,188
CWAC Total	-2,011	-2,696	-3,334	-6,149	-9,612	-13,009

Source: CREAT[®] Retail Capacity Model (Appendices 4 and 5, Volume 2)

242. Table 8 below provides the same summary based on the higher population growth Scenario 2. The summary is derived from Tables 6 to 14 (inclusive) of Appendices 4 and 5 in Volume 2.

Table 8: Population Growth Scenario 2 – Net Retail Floorspace Capacity Forecasts

Destination	Convenience Goods Capacity (net sq.m)			Comparison Goods Capacity (net sq.m)		
	2030	2035	2040	2030	2035	2040
Chester CC	-18	-16	-11	-582	-826	-1,042
Other Zone 1	-1,046	-1,015	-942	-2,205	-3,039	-3,777
Zone 2	-304	-270	-190	-1,518	-1,774	-2,000
CWAC Total	-1,368	-1,301	-1,143	-4,304	-5,639	-6,818

Source: CREAT[®] Retail Capacity Model (Appendices 4 and 5, Volume 3)

243. Whilst the forecasts are provided over a 15-year period, we reiterate that paragraph 90 of the NPPF is clear that local planning authorities should plan to meet the need for new retail and town centre uses by *'looking at least ten years ahead'*. The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments *'...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.'*
244. In respect of **both convenience and comparison goods**, there is no overall capacity identified in the period to 2040. This is the case under both population growth scenarios. This is because any expenditure growth which is available over this timeframe is accounted for by a combination of forecast increases in online retailing, committed additional retail floorspace, and through improvements in the sales efficiency of existing floorspace.
245. Whilst significant additional expenditure is generated and retained within Cheshire West and Chester under population growth Scenario 1, this is still not sufficient to create an expenditure surplus given the need for existing retailers to improve their trading performance in order to operate in a viable manner.
246. A negative requirement effectively means that Cheshire West and Chester likely has too much retail floorspace and that some such floorspace will be vacated over the plan period. This is the case under both population growth scenarios (albeit the higher population growth scenario will result in a lesser loss of retail floorspace going forward).
247. In practice, some of the inputs associated with this capacity modelling exercise will change over time. Forecasts should be treated as indicative and should be updated on a regular basis. Given the findings of this capacity assessment, future proposals for additional floorspace should be reviewed carefully as the first priority should be to provide for the reoccupation of existing in-centre floorspace wherever possible.

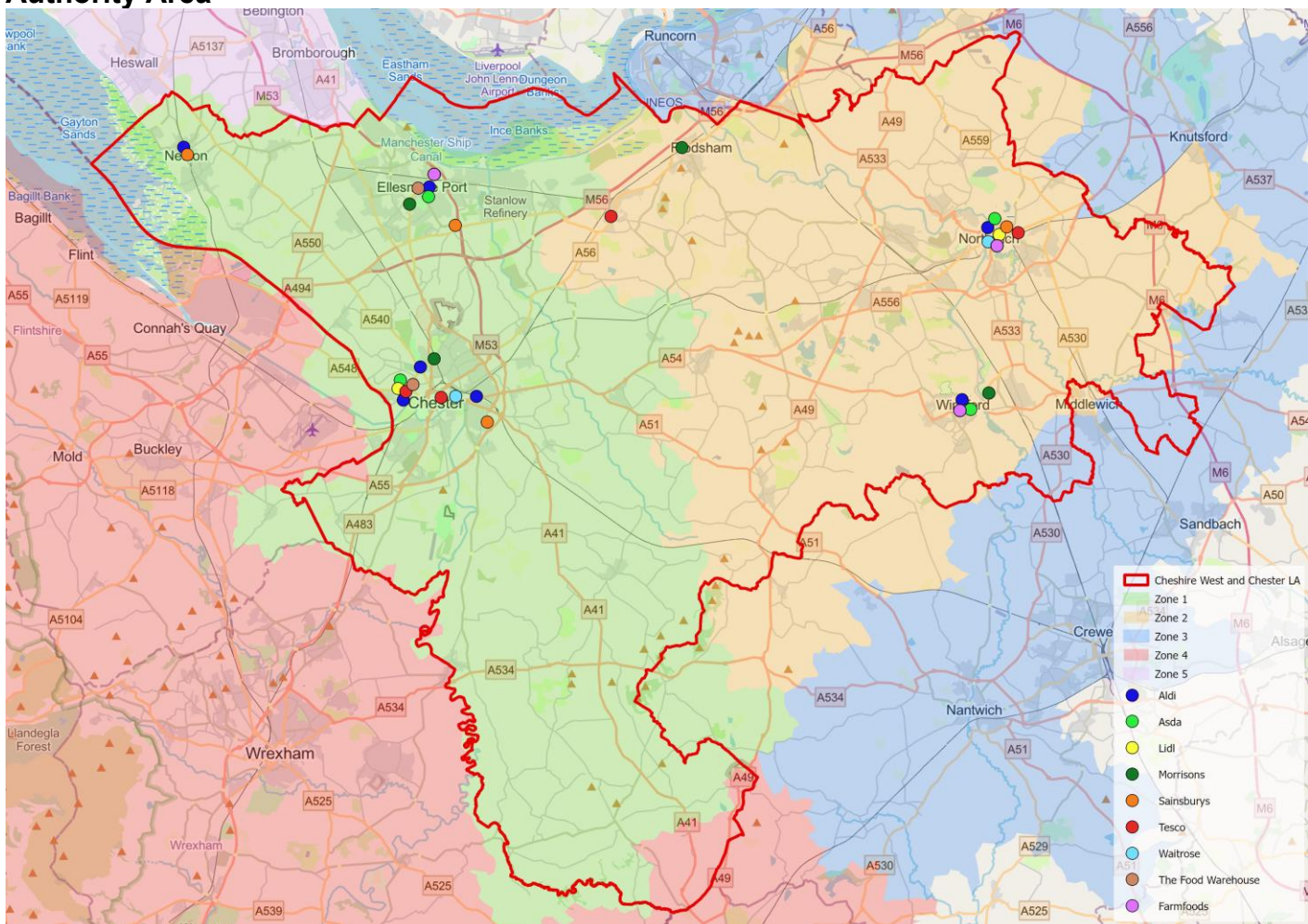
Qualitative Convenience Need

248. The distribution of the principal foodstores across the authority area is set out in Figure 7 below.
249. The below plan identifies that both discount and mainstream main food shopping provision is distributed across the Borough.
250. In reviewing the distribution of foodstores, it should be noted that for a large authority area, Cheshire West and Cheshire accommodates only a limited number of larger centres. Frodsham and Neston are relatively small-scale centres and serve moderate catchment areas.
251. Frodsham accommodates a Morrisons supermarket within its town centre and there are additional facilities within driving distance including the Aldi supermarket at Jack Search Way in Runcorn and the Tesco superstore at Chester Road in Helsby. The town has a population below 10,000 people (the 2021 census identified a population of 9,315), which means that it may not have historically

been of interested to discount foodstore operators. However, both Aldi and Lidl are now considering the potential of towns of this size and we note that Lidl currently has an identified requirement for a store in Frodsham.

252. We believe that the area may benefit from additional grocery provision subject to their being no unacceptable impact on the trading performance of the town centre as a whole. It will be important to carefully consider any proposal to provide an additional foodstore in the Frodsham area in accordance with 'town centre first' policy principles. In this regard, Policy EDVE3 'Retail and Services' of the Frodsham Neighbourhood Plan ('made' November 2024) identifies that retail development should be located within Frodsham's defined primary shopping area and be of a scale and design which is sympathetic to the distinctive character of the historic core.
253. Neston accommodates Aldi and Sainsbury's supermarkets within the town centre boundary. Both stores are modern and well located to drive town centre footfall. The offer of the two operators has traditionally been pitched at different ends of the mainstream grocery market, and the two in tandem are able to meet a high proportion of local grocery shopping needs.

Figure 7: Distribution of Principal Foodstores Across Cheshire West and Chester Authority Area



254. Chester, Northwich, Ellesmere Port and Winsford each have substantial choice in respect of main food shopping destinations. Each of these settlements has multiple choices in respect of foodstores operated by the traditional 'main four' (Asda, Sainsbury's, Morrisons, and Tesco) and each supports at least one discount foodstore operation. We do not believe that there is a significant qualitative requirement for additional grocery provision in these locations.
255. Notwithstanding this, we understand that Marks & Spencer has a requirement for Northwich and recognise the popularity of the retailer's grocery offer. Such opportunities to improve provision should be seized where proposals accord with planning policy requirements.
256. As we identified at Section 3 of this assessment, at the time of reporting Lidl's website identifies that the retailer has multiple requirements for new stores across the authority area. These requirements relate to Chester East, Chester North, Chester South, Ellesmere Port North, Ellesmere Port South, Frodsham/Helsby, and Winsford. We also understand that there has been operator interest for additional food retail provision around Tarporley.
257. Any proposals should be directed to town centre locations wherever possible in accordance with the sequential test. Where this is not possible, the impact arising from such proposals should be carefully considered. In accordance with paragraph 94 of the NPPF, the impact of a proposal on local consumer choice both in town centres and across the wider retail catchment will be a relevant consideration in determining application for new retail and leisure development located outside of defined centres.

Summary

258. To reiterate, the NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by '*looking at least ten years ahead*'. The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments '*...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.*'
259. Therefore, whilst greater weight should be placed on forecasts over the next five to ten-year period, we have also assessed the quantitative capacity for new retail floorspace over the period to help inform the Council's longer-term plan-making strategy.
260. As identified above, our assessment identifies that there is no quantitative need for both convenience and comparison goods retail floorspace to 2040. In practice, the negative requirement identified suggests that there is too much retail floorspace across the authority area. Furthermore, it should be noted that Experian assumes that future expenditure growth will largely be claimed by existing retailers in order to remain viable going forward. As such, even though our assessment does not provide any capacity figure beyond 2040, it can be taken that there is no

substantive longer term need to 2045 based on Experian's broad reading of the likely long term economic position.

261. A robust policy approach should therefore be adopted in accordance with the requirements of NPPF paragraphs 90 and 95 to support the future assessment and determination of future retail proposals that are not in a centre and not in accordance with an up-to-date development plan. NPPF policy particularly emphasises the importance of the sequential test and having appropriately set local impact thresholds to ensure that edge and/or out of centre proposals do not result in any significant adverse impacts on existing centres.

7. COMMERCIAL LEISURE CAPACITY ASSESSMENT

262. This section focuses on the potential need for new leisure uses and facilities in the Cheshire West and Chester authority area over the period to 2040.
263. This assessment necessarily focuses on the main leisure, entertainment and cultural uses identified by the NPPF (Annex 2). These uses are widely accepted as making a significant contribution to the overall vitality and viability of town centres and should be located in town centres first in accordance with national and local plan policy objectives.
264. This assessment focuses on principal leisure, entertainment and cultural uses identified as main town centre uses in Annex 2 of the NPPF, namely:
- '...leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); ...and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).'*
265. These uses are widely accepted as making a significant contribution to the overall vitality and viability of town centres and should be located in accordance with national planning policy 'town centre first' principles.
266. In terms of sport and recreation uses, the inclusion of indoor bowling centres as an example suggests that there are other sports facilities that can similarly be classed as main town centre uses. Padel courts are one such facility that accord with the reference to 'more intensive sport and recreation uses' and can therefore be considered a main town centre use (albeit in practice they will often be delivered outside of defined centres given the scale of site required).
267. The Government's 2020 reform of the Use Classes Order classified the main food & beverage, commercial leisure, and cultural uses as follows.

Table 9: Use Classes Order Update

Original Use Class	Revised Use Class	Use	Description
Class A3	Class E(b)	Restaurants and cafés	Defined as selling food and drink for consumption on the premises.
Class A4	Sui Generis	Drinking establishments	Includes public houses, wine bars or other drinking establishments (but not night clubs), and drinking establishments with expanded food provision.
Class A5	Sui Generis	Hot food takeaways	Defined as the sale of hot food for consumption off the premises.
Class D1	Class F.1	Non-residential institutions	Includes art galleries (other than for sale or hire) and museums.
Class D2	Sui Generis	Leisure/Recreation (indoor/outdoor)	Cinemas, music and concert halls, bingo, and dance halls.
Class D2	Class E(d)	Leisure/Recreation (indoor/outdoor)	Gymnasiums or area for indoor recreations.
Class D2	Class F.2	Leisure/Recreation (indoor/outdoor)	Indoor or outdoor swimming baths, skating rinks and outdoor sports/recreations.
Sui Generis	Sui Generis	A use on its own	Theatres, nightclubs, casinos, and so on.

Source: Town and Country Planning (Use Classes) Order 1987 (as amended) and Revised Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 (SI 2020 No.757)

Forecasting Need for Commercial Leisure Uses

268. It is important to understand at the outset that forecasting the need for new leisure uses is more problematic than for retailing, as the sector is highly complex and dynamic. For example, the demand for existing and new leisure uses and facilities is particularly sensitive to changes in economic, demographic, lifestyle, and fashion trends. Consequently, the methods developed to forecast the need for new leisure uses are necessarily more flexible, qualitative, and high level.
269. From a planning policy perspective therefore the key to meeting future (as yet unknown) needs will be the development of policies that can accommodate the dynamic needs of the sector and support growth in the real world. This includes recognising that many commercial leisure uses have a substantial floorspace requirement and, unlike retail outlets where store size can vary significantly, incremental development is unlikely if only small increases in market growth are identified. For instance, a new cinema or bowling alley will need a certain number of screens or alleys to be commercially viable.
270. It is also the case that the recent changes to the Use Classes Order mean that the change of use of premises from retail to (some) leisure uses can be achieved without planning permission. The principal aim of the Class E use is to provide greater flexibility and expedite the re-use of commercial premises. As a result, changing demand for restaurant and café uses is likely to be accommodated by the re-use of existing commercial floorspace. This trend was already apparent before 2020 with many developments seeking permission for flexible Class A1/A3

uses but now applies more generally given that planning permission is not required to change between retail and café/restaurant uses.

271. In this context LSH has developed robust and transparent approaches to assess leisure needs based on the following key inter-related workstreams:

- a review of the key trends driving expenditure growth and market demand in the leisure sector over the last decade;
- an audit of existing leisure provision to help identify any significant 'gaps' in provision; and
- the application of a robust economic/quantitative need assessment for some leisure uses.

Cheshire West Authority Area Evening Economy

272. The Cheshire West and Chester area offers a varied evening and night time economy relative to the size and character of centres as described below.

- **Chester city centre** is a focus for evening and night time visits across the Study Area, which is reflected through a varied range of establishments within the centre. Period properties – including those on Bridge Street, Watergate Street, and Northgate Street – provide attractive accommodation for food & beverage operators. The offer includes high end restaurants and cocktail bars, and a good range of cuisines and budgets are catered for. Most venues remain open until late in the evening. Phase 1 of the new Northgate development provides a focus for new commercial leisure development, accommodating a six-screen Picturehouse cinema and a good range of mid-market national multiple restaurant operations (examples include Cosy Club, Turtle Bay, and Zizzi). Northgate also accommodates Chester Market and its food hall, which opened in 2022. The food hall supports a range of independent operators located around communal seating areas. In addition to the food & beverage offer, the award-winning Storyhouse acts as Chester's cultural hub. Storyhouse comprises a library, mid-scale theatre, studio theatre, and cinema. Storyhouse accommodates touring productions and is able to draw custom from across the region.
- **Northwich town centre's** large scale commercial leisure offer is focused around the Barons Quay development which opened in 2016. Barons Quay accommodates the five-screen Odeon cinema together with food & beverage operators (including Dockyard and Wildwood), Snap Fitness gym, and Wild Tots soft play. The centre also benefits from Brio Memorial Court, which is a leisure centre and venue able to accommodate a variety of events including comedy nights, live music, shows, pantos, and conventions. The Memorial Court has a capacity of 500 people. Two units in Barons Quay are currently being converted for use as Northwich Market, which will accommodate a food hall as well as traditional market traders. Elsewhere in the centre, there are a number of food & beverage operators supported on Witton Street which provides a pedestrianised environment and has a number of smaller attractive buildings which are suitable for independent leisure operators. The Plaza has

put on a series of gigs and community events in recent years (having originally opened as cinema and then been in operation as a bingo hall), but closed with immediate effect in May 2025 due to a deterioration in the condition of the building. As identified in the health check assessment, the proportion of units and floorspace in leisure use in Northwich town centre is notably below national average level.

- **Ellesmere Port town centre's** commercial premises are principally located within the Port Arcades shopping centre (which opened in 1990) or within mid-twentieth century properties which were clearly purpose built to accommodate retail. As the health check assessment identifies, commercial leisure uses are significantly underrepresented within the centre compared to national average levels. The principal large format leisure venue within the town centre is the Club 3000 bingo hall. The centre also supports a limited range of local cafés, restaurants, and licensed premises. The town centre offer is supplemented by Theatre Porto – a specialist, children-orientated theatre – which is located outside of the centre at Whitby Park.
- **Winsford town centre** has a limited leisure offer. Leisure service representation is significantly below national average level with reference to both the proportion of units and floorspace occupied by leisure operators. The centre is focused around Winsford Cross Shopping Centre, which was constructed in the 1970s. The character of the shopping centre is generally better suited to retail rather than leisure operators. Across the town centre there are just six food & beverage operators, including the Queens Arms (operated by JD Wetherspoon).
- **Frodsham town centre** has a stronger evening economy than other smaller centres in the Cheshire West and Chester area. The proportion of units in leisure service use approaches national average level, and there is a good range of restaurants and licensed premises. Venues include: The Bears Paw pub and restaurant; Helter Skelter bar; Lorenzo's restaurant; and, Main Street Kitchen restaurant.
- **Neston town centre** has a moderate leisure sector offer. There are 13 food & beverage operators within the centre. These are comprised of: four restaurants; three cafes; three fast food/takeaway operators; and three pubs (The Brewers Arms, The Brown Horse, and The Malt Shovel). The focus of the centre's evening economy is the intersection of High Street and Parkgate Road/Brook Street.

Leisure Expenditure Overview

273. The leisure sector has experienced significant growth in consumer and market demand since the mid-1990s; fuelled by a buoyant economy, growing disposable income and low unemployment levels. Although the sector has been significantly impacted by the pandemic, leisure and entertainment activities remain an important lifestyle and entertainment choice for many consumers and are often prioritised over other areas of spending.

274. Expenditure on leisure items and activities there comprises a significant element of a household budget and it is estimated that in 2023, UK households spent in excess of £219 billion on leisure including:
- Recreational and sporting services, i.e. services provided by sports stadia, racecourses, rinks, golf courses, pools, courts, bowling alleys, gyms, fairs, parks, dancing, and skating;
 - Cultural services, i.e. cinemas, theatres, concerts, circuses, TV rental, satellite subscription, video hire, hire of musicians, clowns, performers, photographers, film processing;
 - Restaurants, cafes, etc (F&B), i.e. catering services, meals, alcohol, snacks and drinks sold by restaurants, pubs, cafes, and so on;
 - Accommodation services, i.e. accommodation in hotels, motels, inns, bed and breakfast establishments, caravan sites, youth hostels, boarding schools, universities, and other educational establishment accommodation; and
 - Hairdressing salons & personal grooming, i.e. hairdressers, barbers, beauty shops and salons, men's personal grooming centres, massage parlours, saunas, and tanning centres.
275. An assessment of leisure expenditure per capita across the Study Area and Cheshire West and Chester is presented at Table 3 of Appendix 6 and is summarised below.
276. The below Table 10 sets out average expenditure per capita for residents within the Study Area and the five individual zones.

Table 10: Estimates of Expenditure per Capita on Leisure Services (2025)

Location	Hotels, B&Bs, etc	Culture	Games of Chance	Personal Grooming	Sport	Eat/ Drink	Total
Zone 1	£270	£486	£194	£122	£277	£2,122	£3,470
Zone 2	£298	£518	£207	£136	£301	£2,167	£3,626
Zone 3	£263	£487	£194	£124	£276	£2,005	£3,349
Zone 4	£253	£408	£147	£92	£189	£1,544	£2,632
Zone 5	£219	£454	£188	£106	£253	£1,899	£3,119
Study Area Total	£255	£461	£181	£112	£250	£1,894	£3,154
CWAC Total	£277	£496	£198	£127	£284	£2,123	£3,506

Source: Table 3 of Appendix 6, Volume 2

277. The above table identifies that average spend on leisure services is dominated by food & beverage, which includes cafés, restaurants and bars. Food & beverage expenditure accounts for approximately 60% of all average spend per capita on leisure services across the Study Area.

Leisure Expenditure Forecasts

278. The base year expenditure per capita levels for leisure have been projected forward to 2040 using Experian's forecast annual growth rates above, and then applied to the projected future population for each Study Area zone to identify the

total available leisure and recreation expenditure. Once again, we have undertaken this exercise for two different population growth scenarios.

279. The table below shows Experian's most recent leisure expenditure growth per capita forecasts as set out in Retail Planner Briefing Note 22 (RPBN22), published in March 2025.

Table 11: Actual & Forecast Growth in UK Leisure Spend (% per annum)

	2024	2025	2026	2027-31	2032-40
Annual leisure expenditure growth	-1.6%	0.0%	0.3%	0.6%	0.7%

Source: Figure 1a, Retail Planner Briefing Note 22

280. In summary, leisure spend nationally is expected to be static in 2025, increasing by 0.3% in 2026, 0.6% per annum from 2027 to 2031, and then to 0.7% per annum from 2032 to 2040.
281. The leisure sector has been subjected to particularly challenging trading conditions in recent years. This includes a reduction in per capita leisure expenditure of -36.3% in 2020 due to pandemic-related trading restrictions. More modest reductions in per capita leisure expenditure were experienced in 2023 and 2024 due to cost of living pressures. It should be noted that these forecast rates of expenditure growth relate to total leisure expenditure. Expenditure for different types of leisure will experience different rates of growth during this period, with varying degrees of expenditure being made online.
282. Table 4 of Appendix 6 applies the forecast leisure expenditure per capita to the Scenario 1 Experian population forecasts in order to identify the estimated increase in total available commercial leisure expenditure across the defined Study Area to 2040. This table identifies a +9.3% (+£398.4m) growth in leisure expenditure across the Study Area between 2025 and 2035, and +14.7% (+£627.9m) over the period between 2025 and 2040.
283. The below Table 12 breaks down the growth in leisure expenditure by category. It identifies that food & beverage expenditure in the Study Area is forecast to increase by +£377.6m between 2025 and 2040 (accounting for approximately 60% of the total growth), followed by cultural services expenditure growth (accounting for approximately 15% of growth).

Table 12: Population Growth Scenario 1 – Total Study Area Forecast Growth in Available Commercial Leisure Expenditure Between 2025 and 2040 (£m)

	2025	2030	2035	2040	Growth 2025-35	Growth 2025-40
Accommodation Services	£346.3	£361.1	£378.5	£396.8	£32.0	£50.5
Cultural Services	£626.0	£652.8	£683.9	£717.4	£57.9	£91.3
Games of Chance	£245.9	£256.5	£268.8	£281.9	£22.8	£36.0
Personal Grooming	£152.1	£158.7	£166.3	£174.5	£14.2	£22.4
Recreational & Sporting	£339.2	£353.9	£371.0	£389.3	£31.8	£50.1
Restaurants, Cafes, Bars	£2,570.7	£2,681.6	£2,810.3	£2,948.3	£239.6	£377.6
Study Area	£4,280.2	£4,464.5	£4,678.6	£4,908.2	£398.4	£627.9

Source: Table 5 of Appendix 6, Volume 2

284. Table 13 repeats the same exercise for population growth Scenario 2 which is based on addressing 'standard method' housing needs. The full methodology associated with this population growth scenario is outlined in the preceding Section 6 of this report.
285. Under population Scenario 2, +11.3% (+£483.0m) growth in leisure expenditure is recorded across the Study Area between 2025 and 2035, and +18.0% (+£768.3m) over the period between 2025 and 2040. Table 13 breaks down the growth in leisure expenditure by category. It identifies that, under Scenario 2, food & beverage expenditure in the Study Area is forecast to increase by +£462.6m between 2025 and 2040 (accounting for approximately 60% of the total growth), followed by cultural services expenditure growth (accounting for approximately 14% of growth).

Table 13: Population Growth Scenario 2 – Total Study Area Forecast Growth in Available Commercial Leisure Expenditure Between 2025 and 2040 (£m)

	2025	2030	2035	2040	Growth 2025-35	Growth 2025-40
Accommodation Services	£346.3	£364.0	£385.0	£407.9	£38.7	£61.6
Cultural Services	£626.0	£658.0	£695.9	£737.2	£69.8	£111.2
Games of Chance	£245.9	£258.6	£273.5	£289.9	£27.6	£43.9
Personal Grooming	£152.1	£160.0	£169.4	£179.6	£17.3	£27.5
Recreational & Sporting	£339.2	£356.9	£377.9	£400.7	£38.7	£61.5
Restaurants, Cafes, Bars	£2,570.7	£2,703.9	£2,861.5	£3,033.3	£290.8	£462.6
Study Area	£4,280.2	£4,501.5	£4,763.2	£5,048.6	£483.0	£768.3

Source: Table 5 of Appendix 6, Volume 3

286. From a planning perspective, the above exercise clearly indicates the potential importance of spending on food & beverage for town centres, given much of that expenditure is committed in defined centres at all levels of the centres hierarchy. Cultural expenditure will be important for the larger centres at the top of the hierarchy, whilst hairdressing and personal grooming services may generate less expenditure per head but are more likely to be spent locally.
287. Expenditure generated by Study Area residents on accommodation services is not likely to be spent within the local area. Conversely, expenditure generated by visitors staying in Cheshire West and Chester will be important in supporting the hospitality sector. Expenditure on recreational & sporting activities is likely to be less important for town centres as is games of chance expenditure – the former expenditure category is generally directed to out of centre locations and the latter form of expenditure is now generally committed online.
288. Notwithstanding this, Chester benefits significantly from the presence of the racecourse to the south west of the city centre. This clearly has a substantial positive economic effect on the city centre before, during and after race meetings. A number of large hotels and food & beverage uses are located in proximity to the racecourse.
289. The relevance of different leisure uses to town centres varies, as does the planning policy response. In particular, it should be noted that:

- hairdressing and personal grooming operations are considered as Class E uses and are therefore able to occupy retail premises (both within and outside of town centres) under permitted development rights; and
- demand for the development of new cultural and intensive sports uses will be operator-led (or, alternatively, may require significant public sector funding) and specific opportunities may not be identified through a high level capacity exercise such as this.

290. A review of sector trends and information on the current position in Cheshire West and Chester is provided below for:

- food & beverage uses;
- cultural services;
- games of chance; and
- recreation and sporting services.

Food and Beverage

291. The food and beverage sector includes restaurants, cafés, bars, pubs, and takeaways (former Use Classes A3, A4 and A5). These uses are integral to a town centre's wider offer and economy. A good choice and quality of food & beverage uses can help to complement other town centre uses by generating trips, stretching 'dwell times' (i.e. the time people spend in centres), increasing 'linked' expenditure to other shops and businesses as part of the same trip and strengthening both daytime and evening economies.
292. As identified previously, the food & beverage sector dominates average household expenditure across the Study Area. Food & beverage expenditure will also be subject to significant future expenditure growth. In theory, this expenditure growth should help to enhance the scale, quality, and choice of food & beverage uses across the authority area. In reality, growth is often led by the commercial market through new operators and concepts, and as a consequence of opportunities arising 'on the ground' through regeneration projects or significant residential development.
293. Significant expansion across mid-market national multiple operators generally fuelled expansion in the food & beverage sector up to around 2017. However, casual dining multiples have subsequently struggled against a backdrop of increased competition, rising costs, the pandemic, and a tightening of consumer expenditure to cost of living pressures. The reality is that too many food & beverage operators expanded too quickly into increasingly marginal locations, funded by private equity, and the market became saturated and unsustainable. The growth in the availability, convenience and speed of home deliveries driven by innovative technology and apps represents a further significant challenge to traditional food & beverage operators.
294. These new challenges and pressures have resulted in a radical restructuring of businesses across the sector and the rationalisation of physical space. There remains a high turnover of food & beverage operators as the impact of the

pandemic, cost of living, and energy costs continues to impact on sales, margins, and the ability of operators to clear debts. There may be a need for existing operators to claim a significant proportion of future expenditure growth in the sector in order to remain viable.

Food and Beverage Provision in Cheshire West and Chester

295. As would be expected, the strongest food & beverage offer in Chester West and Chester is evident in Chester (as a sub-regional centre and key visitor destination) followed then by Northwich. Historic development in some centres – principally Ellesmere Port and Winsford – generally supports retail uses as much of the accommodation is not particularly well suited to food & beverage use.
296. As a consequence of the above, the Borough's centres are subject to a real mix in respect of the scale, quality, and function of food & beverage provision.
297. The below Table 14 summarises food & beverage provision across Cheshire West and Chester's defined town centres. The table identifies the difference in the role and function of different centres. The offer in Chester and Frodsham includes a high proportion of restaurants, whereas Winsford town centre accommodate no restaurants and only one bar/pub.
298. It is considered that the below audit of facilities indicates that there is significant room for improvement in Ellesmere Port and Winsford in respect of the provision of bars and pubs, and in respect of restaurants. However, as previously identified, the environment in these two centres is largely function and retail-focused and opportunities to significantly expand the provision may be dependent on the redevelopment (or substantial refurbishment) of the existing stock in order to provide an attractive environment for operators and their customers.

Table 14: Food & Beverage Provision Within Town Centres

	Bars, Pubs & Clubs	Cafes & Fast Food	Restaurants	Total
Chester	81	75	38	186
Ellesmere Port	1	18	4	23
Northwich	13	21	4	38
Winsford	1	5	0	6
Neston	3	6	4	13
Frodsham	8	15	7	30

Source: Health Check Assessments, Volume 3

Food and Beverage Expenditure

299. Forecast changes in F&B expenditure across the Study Area and the Cheshire West and Chester authority area are provided by Table 6 of Appendix 6 (Volume 2 for population growth Scenario 1 and Volume 3 for population growth Scenario 2).
300. In respect of population growth Scenario 1, it is estimated that Cheshire West and Chester residents generate £786.4m of food & beverage expenditure at 2025 increasing to £929.1m at 2040. This equates to a +18.2% increase over 15 years. Across the Study Area as a whole, residents' food & beverage expenditure

increases from an estimated £2,570.7m at 2025 to £2,948.3m at 2040 under Scenario 1. This equates to a 14.7% increase over the 15-year period.

301. Under population growth Scenario 2, it is estimated that Cheshire West and Chester residents generate £786.4m of food & beverage expenditure at 2025 increasing to £1,016.2 at 2040. This equates to a +29.2% increase over 15 years. Across the Study Area as a whole, residents' food & beverage expenditure increases from an estimated £2,570.7m at 2025 to £3,033.3m at 2040 under Scenario 2. This equates to a 17.9% increase over the 15-year period.
302. Using Experian Insights transaction data it is possible to identify key destinations for food & beverage expenditure, which is based on purchases from national multiple and independent bakeries, cafes, restaurants, takeaway outlets, and drinking venues.
303. The food & beverage expenditure market share analysis is set out at Table 8 of Appendix 6 of Volume 2. The headline results in respect of are summarised below at Table 15.
304. The analysis reveals that significant amounts of food & beverage expenditure is committed outside of Cheshire West & Chester's venues. In this regard, it is notable that 32.2% of Study Area food & beverage expenditure is committed online (this includes takeaway/delivery orders from restaurants and takeaways via third party delivery platforms such as Deliveroo, Just Eat, Uber Eats, and so on). Some of this expenditure will be available to operators in Cheshire West and Chester in practice and the assessment of destinations' turnover presented below should be viewed in this context (in other words, the turnover attracted to destinations may be higher in practice).
305. It is also notable that a significant proportion of food & beverage expenditure is spent outside of the Study Area. This will include day trips, holidays, and visits to see friends outside of the immediate area. There will be a particular propensity to eat and drink out during such occasions and the proportion of food & beverage expenditure committed elsewhere should be viewed in this context.
306. Across the Study Area as a whole, Cheshire West and Chester's food & beverage facilities claim 15.9% of such expenditure. Whilst key venues include Chester city centre and Cheshire Oaks, it is evident that a significant proportion of available expenditure is committed outside of defined centres or in smaller centres. This perhaps reflects the rural character of parts of the catchment and the number of attractive pubs and restaurants located in such areas. It also reflects the fact that high turnover national multiple operators often wish to locate at retail parks and adjacent to arterial routes.
307. The analysis identifies that the zone with the highest retention rate (i.e. the proportion of expenditure generated within a zone that is spent in the same zone) is Zone 1 (which has a retention rate of 36.6%). The lowest retention rate is in Zone 2 (27.6%). The retention rate in Zone 1 reflects the positive impact of Chester city centre (and Cheshire Oaks) in providing a critical mass of food & beverage venues.

Table 15: Distribution of Food & Beverage Expenditure at 2025 (All Figures %)

Zone	Location	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Total
1	Cheshire Oaks	6.4	2.4	1.1	2.7	2.3	2.8
	Chester City Centre	7.9	1.6	0.7	3.4	0.7	2.5
	Chester – Caldley Valley RP	0.2	0.0	0.0	0.0	0.0	0.0
	Chester – Faulkner Street	0.7	0.0	0.0	0.0	0.0	0.1
	Chester – Greyhound RP	4.1	0.4	0.1	1.3	0.2	1.0
	Ellesmere Port TC	0.8	0.0	0.0	0.0	0.1	0.2
	Ellesmere Port RP	0.0	0.0	0.0	0.0	0.0	0.0
	Little Sutton Local Centre	0.0	0.0	0.0	0.0	0.0	0.0
	Neston Town Centre	0.2	0.0	0.0	0.0	0.0	0.0
	Other CWAC	16.2	1.8	0.4	3.1	2.4	4.1
	Other Outside CWAC	0.2	0.0	0.0	0.3	0.0	0.1
	Sub Total Zone 1	36.6	6.3	2.3	10.9	5.8	10.9
2	Northwich Town Centre	0.0	3.8	0.3	0.0	0.0	0.7
	Northwich RP	0.0	4.1	0.4	0.0	0.0	0.8
	Tarporley Town Centre	0.1	0.7	0.0	0.0	0.0	0.1
	Winsford Town Centre	0.0	1.2	0.1	0.0	0.0	0.2
	Winsford – Wharton RP	0.0	0.4	0.0	0.0	0.0	0.1
	Frodsham Town Centre	0.1	1.2	0.3	0.0	0.0	0.3
	Other CWAC	0.4	15.3	1.3	0.1	0.1	2.9
	Middlewich Town Centre (Cheshire East)	0.0	0.1	0.1	0.0	0.0	0.0
	Other Outside CWAC	0.1	0.7	1.1	0.1	0.0	0.4
	Sub Total Zone 2	0.9	27.6	3.5	0.2	0.1	5.6
3	Zone 3 Locations	0.8	8.9	29.8	0.5	0.3	8.6
4	Zone 4 Locations	4.2	1.1	0.6	35.6	0.8	9.0
5	Zone 5 Locations	3.6	0.3	0.2	0.6	33.0	8.5
	Outside Study Area	21.2	25.1	33.6	21.4	23.6	25.3
	Online Expenditure	32.8	30.7	30.0	30.8	36.3	32.2
	CWAC Sub Total	37.1	33.0	4.7	10.8	5.9	15.9
	Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Table 8 of Appendix 6, Volume 2

Note: CWAC authority area broadly corresponds to Zones 1 and 2; the identified market share for the authority area relates to market share of these zones adjusted to account for Middlewich being in Cheshire East and to account for all other Zone 1 and 2 destinations outside the authority area

308. Outside of the Study Area, the key venues which attract Study Area food & beverage expenditure are Liverpool city centre (which secures a market share of 3.1%), Manchester city centre (1.5%), and the Trafford Centre (0.6%).
309. Future food & beverage expenditure across the Study Area is based on the market shares identified above. A comprehensive position in respect of venues' food & beverage turnover can be gained through consideration of the inflow of

expenditure attributable to UK residents that reside outside of the Study Area. This inflow provides a considerable uplift in the turnover of larger Study Area venues. The uplift in turnover attributable to inflow is modelled in Tables 8 and 9 of Appendix 6 of Volume 2. The estimated food & beverage turnover of destinations at base year 2025 is summarised below at Table 16.

Table 16: Estimated Food & Beverage Turnover at 2025 (All Figures £m)

Zone	Location	Study Area T/O (£m)	Study Area Inflow (%)	Study Area Inflow T/O (£m)	Total T/O (£m)
1	Cheshire Oaks	£75.1	102.1%	£76.6	£151.7
	Chester City Centre	£71.4	76.9%	£54.8	£126.2
	Chester – Caldby Valley RP	£1.1	11.4%	£0.1	£1.2
	Chester – Faulkner Street	£3.7	18.6%	£0.7	£4.4
	Chester – Greyhound RP	£30.2	11.9%	£3.6	£33.8
	Ellesmere Port TC	£4.9	14.0%	£0.7	£5.5
	Ellesmere Port RP	£0.0	0.0%	£0.0	£0.0
	Little Sutton Local Centre	£0.1	23.3%	£0.0	£0.1
	Neston Town Centre	£1.2	9.1%	£0.1	£1.3
	Other CWAC	£119.7	39.9%	£47.8	£167.5
	Other Outside CWAC	£2.5	9.5%	£0.2	£2.8
	Sub Total Zone 1	£309.8	60.5%	£187.4	£497.2
2	Northwich Town Centre	£15.6	12.5%	£1.9	£17.5
	Northwich RP	£17.5	10.0%	£1.8	£129.2
	Tarporley Town Centre	£3.3	19.9%	£0.7	£4.0
	Winsford Town Centre	£5.0	7.7%	£0.4	£5.4
	Winsford – Wharton RP	£1.7	8.4%	£0.1	£1.8
	Frodsham Town Centre	£6.5	20.0%	£1.3	£7.8
	Other CWAC	£65.1	19.5%	£12.7	£77.8
	Middlewich Town Centre (Cheshire East)	£0.8	19.2%	£0.2	£0.9
	Other Outside CWAC	£9.7	81.7%	£8.0	£17.7
	Sub Total Zone 2	£125.2	21.3%	£26.6	£151.8
3	Zone 3 Locations	£201.9	69.7%	£140.6	£342.5
4	Zone 4 Locations	£234.0	35.4%	£82.9	£316.9
5	Zone 5 Locations	£226.9	13.4%	£30.3	£257.2
	Outside Study Area	£641.8	-	-	-
	Online Expenditure	£831.1	-	-	-
	CWAC Sub Total	£422.0	48.2%	£203.3	£625.3
	Total	£2,570.7	-	-	-

Source: Table 9 of Appendix 6, Volume 2

310. The above assessment indicates that greater food & beverage expenditure is committed at Cheshire Oaks than at Cheshire city centre (albeit the turnover of both is very substantial). At Cheshire city centre, inflow of £54.8m at 2025 boosts the turnover of the city centre to an estimated £126.2m. Cheshire Oaks not only has the greatest food & beverage turnover of Cheshire West and Chester venues at 2025 (£151.7m) but also the greatest amount of expenditure inflow (£76.6m).
311. The estimated food & beverage turnover of Northwich town centre at 2025 is £17.5m, albeit only £1.9m of this is inflow (reflecting Northwich's localised role). Other centres have relatively modest food & beverage turnovers.
312. Taken overall, Cheshire West and Chester's food & beverage operators have a turnover of £625.3m at 2025. Of this, £203.3m originates as inflow from outside the Study Area.
313. The analysis shows that the Borough has few venues which provide a critical mass of food & beverage provision to secure significant market share from within the Study Area and significant expenditure from outside. The above analysis underpins the findings of the health check assessments in respect of the relatively limited offer of smaller centres, and the fact that Ellesmere Port and Winsford are focused around a day-to-day retail function and do not attract significant food & beverage expenditure.
314. Looking forward, it is evident that there will be a relatively substantial increase in food & beverage over the period to 2040. Table 17 below sets out the anticipated increase in expenditure over the next 15 years based on the Scenario 1 forecast population and expenditure increases.
315. The below Table 17 identifies that under Scenario 1, food & beverage expenditure across the Study Area is estimated to increase from £2,570.7m to £2,948.3m, which equates to an increase of £377.6m (+14.7%). In Cheshire West and Chester, food & beverage expenditure is estimated to increase from £786.4m to £929.1m, which equates to an increase of £142.8m (+18.2%).

Table 17: Population Growth Scenario 1 – Total Forecast Growth in Available Food & Beverage Expenditure Between 2025 and 2040 (£m)

	2025	2030	2035	2040	Growth 2025-35	Growth 2025-40
Zone 1	£484.7	511.9	£541.1	£570.3	£56.4	£85.6
Zone 2	£361.0	381.9	£404.3	£427.3	£43.3	£66.3
Zone 3	£540.4	564.9	£593.7	£625.5	£53.3	£85.1
Zone 4	£566.7	583.8	£605.9	£630.3	£39.2	£63.7
Zone 5	£618.0	639.1	£665.4	£694.8	£47.4	£76.8
Study Area	£2,570.7	£2,681.6	£2,810.3	£2,948.3	£239.6	£377.6
Cheshire West and Chester	£786.4	£831.7	£880.2	£929.1	£93.8	£142.8

Source: Table 6 of Appendix 6, Volume 2

316. The below Table 18 confirms that there is a greater increase in future Study Area food & beverage expenditure under population growth Scenario 2. Under this growth scenario, Study Area food & beverage expenditure is estimated to increase

to £3,033.3m at 2040, which equates to an increase of £462.6m (+18.0%). In Cheshire West and Chester, food & beverage expenditure is estimated to increase from £786.4m to £1,016.2m under population growth Scenario 2, which equates to an increase of £229.8m (+29.2%) over the 15 years to 2040.

Table 18: Population Growth Scenario 2 – Total Forecast Growth in Available Food & Beverage Expenditure Between 2025 and 2040 (£m)

	2025	2030	2035	2040	Growth 2025-35	Growth 2025-40
Zone 1	£484.7	£525.1	£571.2	£620.5	£56.4	£85.6
Zone 2	£361.0	£391.0	£425.4	£462.2	£43.3	£66.3
Zone 3	£540.4	£564.9	£593.7	£625.5	£53.3	£85.1
Zone 4	£566.7	£583.8	£605.9	£630.3	£39.2	£63.7
Zone 5	£618.0	£639.1	£665.4	£694.8	£47.4	£76.8
Study Area	£2,570.7	£2,703.9	£2,861.5	£3,033.3	£290.8	£462.6
Cheshire West and Chester	£786.4	£854.8	£932.8	£1,016.2	£146.4	£229.8

Source: Table 6 of Appendix 6, Volume 3

317. As detailed previously, food & beverage is a sector that has been significantly impacted before, during and after the pandemic, and the prevailing macro-economic position will also influence discretionary leisure spending. The sector is also under further pressure from the increase in National Insurance contributions which was announced in the 2024 budget and which was effective from April 20025. Furthermore, if residents have more to spend on food & beverage it doesn't necessarily follow that their propensity to eat out will increase proportionately. In practice, people may choose to eat at a more expensive restaurant or buy more expensive drinks when they have more money to spend.
318. On this basis, it can be assumed that a notable proportion of any growth is likely to be absorbed by existing businesses to cover the debt incurred during the pandemic and rising costs.
319. The growth to sustain new cafés, restaurants and bars will be very much subject to market demand but also driven by opportunity. Focusing new uses in Cheshire West and Chester's defined centres will help increase competition and consumer choice, and underpin both daytime and evening economies.
320. There should be two particular priorities.
321. Firstly, the offer in Chester city centre should expand and evolve to keep apace with industry trends and ensure that the centre is able to compete with other tourist locations. In particular, there is a need to attract premium operators to ensure that people will travel into the centre to celebrate special occasions and to attract custom from outside the area.
322. Secondly, as identified above, some smaller centres have a very limited food & beverage offer. Redevelopment/refurbishment opportunities in Ellesmere Port and Winsford should embrace opportunities to accommodate good quality food & beverage provision. This will help modernise the offer of these centres and ensure that these smaller centres continue to act as the hub of local communities.

Cultural Services

323. Cultural services include theatres, cinemas, music venues, and museums which have an important role in providing education and promoting wellbeing to residents. These services can also have a key role in drawing visitors to a centre and help generate linked trade to other town centre businesses.

Cultural Services Expenditure

324. An assessment of expenditure on cultural and entertainment services is presented in Table 7 of Appendix 6, and the below Table 19 provides a summary of such expenditure across the Study Area and Cheshire West and Chester authority area under population growth Scenario 1. Cultural services expenditure includes that spent in theatres, cinemas, music venues, and so on.
325. The below table sets out the anticipated increase in cultural services expenditure to 2040 based on forecast population and expenditure increases.

Table 19: Population Growth Scenario 1 – Total Forecast Growth in Available Cultural Service Expenditure Between 2025 and 2040 (£m)

	2025	2030	2035	2040	Growth 2025-35	Growth 2025-40
Zone 1	£111.1	£117.3	£124.0	£130.7	£12.9	£19.6
Zone 2	£86.2	£91.2	£96.6	£102.1	£10.3	£15.8
Zone 3	£131.2	£137.2	£144.2	£151.9	£12.9	£20.7
Zone 4	£149.9	£154.4	£160.2	£166.7	£10.4	£16.8
Zone 5	£147.6	£152.7	£158.9	£166.0	£11.3	£18.3
Study Area	£626.0	£652.8	£683.9	£717.4	£57.9	£91.3
Cheshire West and Chester	£183.7	£194.2	£205.6	£217.0	£21.9	£33.3

Source: Table 5 of Appendix 6, Volume 2

326. The table identifies that cultural services expenditure across the Study Area is estimated to increase from £626.0m to £717.4m, which equates to an increase of £91.3m (+14.6%). In Cheshire West and Chester, cultural services expenditure is estimated to increase from £183.7m to £217.0m, equating to an increase of £33.3m (+18.2%).
327. Table 20 provides the same assessment based on population growth Scenario 2.
328. Under population Scenario 2, cultural services expenditure across the Study Area is estimated to increase to £737.2m, which equates to an increase of £111.2m (+17.8%). In Cheshire West and Chester, cultural services expenditure is estimated to increase from £183.7m to £237.3m, equating to an increase of £53.7m (+29.2%).

Table 20: Population Growth Scenario 2 – Total Forecast Growth in Available Cultural Service Expenditure Between 2025 and 2040 (£m)

	2025	2030	2035	2040	Growth 2025-35	Growth 2025-40
Zone 1	£111.1	120.3	£130.9	£142.2	£19.8	£31.1
Zone 2	£86.2	93.4	£101.6	£110.4	£15.4	£24.2
Zone 3	£131.2	137.2	£144.2	£151.9	£12.9	£20.7
Zone 4	£149.9	154.4	£160.2	£166.7	£10.4	£16.8
Zone 5	£147.6	152.7	£158.9	£166.0	£11.3	£18.3
Study Area	£626.0	658.0	£695.9	£737.2	£69.8	£111.2
Cheshire West and Chester	£183.7	199.6	£217.9	£237.3	£34.2	£53.7

Source: Table 5 of Appendix 6, Volume 3

329. As with food & beverage expenditure, it is reasonable to assume that a significant proportion of this expenditure uplift will be absorbed by existing venues seeking to improve their trading position within what is a very competitive sector.

330. We provide a qualitative assessment of different types of cultural facilities below.

Cinemas

331. The UK cinema sector has evolved dramatically since the 1990s when it was largely dominated by a handful of national multiples. Today the sector's offer ranges from larger multiplexes (any cinema with five screens or more, though some of the largest multiplex sites have as many as 12 or 16 screens) to smaller independent operators and 'pop up' venues.

332. Although year-on-year admissions and box-office takings are volatile – driven by the appeal of individual films and Hollywood 'blockbusters' – the long-term trend since the mid-1980s has been upward and has principally been driven by the development of new cinemas. The growth in the cinema sector over the last 10 to 20 years is even more impressive when one considers that this has occurred against the increase in new and sophisticated in-home entertainment, driven by innovative technology, choice and flexibility (including online streaming platforms, for example, Sky, Netflix, Amazon Prime, Apple TV, and Disney+ platforms).

333. There has also been a growth in smaller (digital) cinemas serving smaller catchment areas. Digital cinemas are more flexible and less 'space-hungry' as they do not require large auditoriums. There are therefore opportunities to provide a modern cinema offer in existing (repurposed) buildings and shopping centres, or as part of a mixed-use offering.

334. The pandemic hit the cinema industry hard, particularly for the major chains. As previously mentioned, smaller nimble operators have found novel ways to show films by operating 'pop-up' cinemas and drive-in cinemas have had a resurgence in popularity. In addition, the UK's smaller independent chains – including Curzon, Picture House (which is owned by Cineworld), and Everyman – fared much better during the pandemic. They showed a more diverse selection of films, and with high-quality food offering, fully stocked bars and high-end seating, appeared more resilient during a particularly challenging period.

335. The future growth in the sector is dependent on the levels of available discretionary spending. Cinema trips will remain a significant and popular leisure activity for all age groups. Notwithstanding this, the competition from home entertainment and alternative at-home film channels will intensify and cinema operators will have to keep updating and adapting their offer to respond to consumer needs.
336. The provision within the authority area comprises of 28 screens. These are located at:
- Vue, Stanney Lane, Cheshire Oaks – 16 screens;
 - Picturehouse, Hunter Street, Chester – six screens;
 - Odeon, Barons Quay, Northwich – five screens; and
 - Storyhouse, Hunter Street, Chester – one screen.
337. In terms of capacity to support new screens, a high-level assessment of screen capacity indicates there is no need for additional screens based on regional screen density rates by population. The population growth Scenario 1 assessment is set out below and applies a screen density rate of 8.5 screens per 100,000 people (based on screen density across the North West region) to the Cheshire West and Chester population across the period to 2040.
338. As identified by Table 21, the assessment suggests that there is no quantitative requirement for additional cinema screens over this 15-year period under the first growth scenario.

Table 21: Population Growth Scenario 1 – Potential Cinema Screen Requirement in the Period Between 2025 and 2040

	2025	2030	2035	2040
Cheshire West and Chester Population	370,321	381,274	390,057	397,633
Screen density per 100,000 People	6.8	6.8	6.8	6.8
Screen Potential in CWAC	25	26	27	27
Existing Screens	28	28	28	28
Indicative Screen Capacity	-3	-2	-1	-1

Note: Screen density for North West England derived from Table 1 of the BFI Statistical Yearbook 2023

339. The population growth Scenario 2 cinema screen assessment is provided below at Table 22. Under the higher growth scenario, a very limited capacity figure of two screens is evident at 2040.
340. In considering cinema provision, it should be noted that the largest multiplex serving the Chester area is the Cineworld at Broughton Shopping Park. This is within Flintshire but is located approximately 1 kilometre from the Chester West and Chester administrative boundary. This cinema is not accounted for by the above assessment but clearly makes an important contribution in meeting the needs of some residents living within Cheshire West and Chester.

Table 22: Population Growth Scenario 2 – Potential Cinema Screen Requirement in the Period Between 2025 and 2040

	2025	2030	2035	2040
Cheshire West and Chester Population	370,321	391,844	413,367	434,890
Screen density per 100,000 People	6.8	6.8	6.8	6.8
Screen Potential in CWAC	25	27	28	30
Existing Screens	28	28	28	28
Indicative Screen Capacity	-3	-1	-0	2

Note: Screen density for North West England derived from Table 1 of the BFI Statistical Yearbook 2023

341. Furthermore, when considering the potential need for additional cinema provision, it should be noted that some cinemas in the area are relatively new.
342. In this regard, Chester Picturehouse opened in November 2023, Storyhouse in Chester opened in May 2017, and Northwich Odeon opened in December 2016. Cinema provision in the area is generally improved over recent years and, whilst planning policy does not seek to stifle in-centre competition, it is recommended that they are centrally located to support town centres.

Theatres and Music Venues

343. Performing arts venues such as theatres, concert halls and music venues help to enrich cultural experiences for residents. In addition, performing arts venues support town centre evening economies and drive trade within other leisure sectors, particularly to food & beverage operators.
344. Cheshire West and Chester accommodates a number of important arts venues, including:
- Storyhouse theatre in Chester (with accommodates two separate theatre spaces);
 - Chester Little Theatre;
 - The Forum Studio Theatre in Chester;
 - The Live Rooms music venue in Chester;
 - St Mary's Creative Space in Chester;
 - Theatre Porto in Whitby Park, Ellesmere Port;
 - The Boat Shed creative community hub in Ellesmere Port;
 - Ellesmere Port Civic Hall;
 - Northwich Memorial Court;
 - Harlequin Theatre in Northwich;
 - Castle Park Arts Centre in Frodsham; and
 - Neston Town Hall.
345. The award-winning Storyhouse theatre is a particularly important venue which hosts national touring productions and household names across the fields of comedy, music, and spoken word performance. Theatre Porto has a niche in being a national leader in theatre for children and young people, and is Cheshire's only

purpose-built venue for young people. In addition to the above, church halls, community centres, and pubs and clubs also support local cultural events.

346. It is difficult to 'benchmark' cultural provision as each area has different strengths and it is expected that people will have to travel on occasion to experience particular types of acts or events. Notwithstanding this, Cheshire West and Chester is considered to have a strong range of performing arts venues.
347. Additional opportunities for cultural opportunities should be considered with reference to the opportunities which exist within defined centres and the availability of funding. It should be noted that Cheshire West and Chester has benefitted from two hugely important cultural developments in recent years in respect of the Storyhouse and Theatre Porto facilities. Any future decisions in respect of additional cultural provision should also be made with reference to the capacity of these venues in terms of their ability to accommodate more events and the need to ensure that they remain popular and viable operations.

Games of Chance

348. Gambling represents a significant component of the leisure industry. The main sectors comprise 'games of chance' (namely bingo clubs, casinos, betting shops, and amusement arcades). The latest research from the Gambling Commission Industry Statistics (published February 2024) indicates that the gambling industry in Great Britain generated a total gross gambling yield ('GGY') for the year end to March 2023 of £15.1bn. This represented a +6.8% increase from the previous year. Remote (online) gambling accounted for £6.5bn of total GGY.
349. The principal trends within this sector can be summarised as follows.
 - **Bingo Halls** – In response to falling admissions, bingo operators are increasingly taking advantage of the online market and embracing smart-phone technology through new 'app' development. This forms part of a wider trend and has fuelled the growth in 'remote/online' gambling (which includes gambling activities through the internet, telephone, radio, and so on). Bingo operators are also increasingly looking to diversify their customer profile, and are marketing their clubs at a younger, predominantly female audience. As a result, there has been an increase in the number of younger and more affluent bingo players over recent years, particularly as deregulation has enabled clubs to offer bigger (national) prizes. At the opposite end of the scale, research shows that 55 to 64 age group has generated the biggest growth in online gambling as more mature bingo players switch to online bingo sites, as their confidence with modern technology grows. These trends have resulted in the closure of many bingo halls in centres across the UK over the last decade, and the prospects for new openings are limited.
 - **Casinos** – The latest figures published by the Gambling Commission show that non-remote casinos sector (i.e. not online) saw a £118.6 million increase of 17.2% in GGY to £810.4 million (casino games at £609 million and casino machines at £201.4 million) over the period April 2022 to March 2023. The

casino sector is dominated by two companies: the Rank Group with 67 venues has a 44% market share; and Genting UK has 44 venues and a 29% market share. There has been some consolidation of the sector in the past few years, resulting from Rank Group's purchase of Gala Coral Casinos.

- **Betting Shops** – According to Gambling Commission data, there were some 5,995 betting shops in the UK as of March 2023 which represents a reduction in the figure of 6,219 recorded in March 2022. The decline in the sector is longstanding as 8,320 betting shops were recorded in March 2019 and 9,111 in March 2014. As gambling activities continue to shift to online channels, so the demand for physical outlets will further dampen in the future and more betting shops will likely close. The presence of betting shops on high streets is also a contentious issue due to the perceived social, economic and health/wellbeing impacts on individuals and households. The Government recognised that betting shops have specific impacts and in 2015 reclassified their use from Class A2 to sui generis. This classification was maintained in the revised Use Classes Order that came into effect on 1 September 2020. This classification of betting shops as a sui generis use means any change of use to a betting shop requires an application to the local planning authority for planning permission.

350. Cheshire West and Chester has no major casino venues. Instead, casino activities are represented by smaller 'high street' outlets with amusement style games and slot machines. Admiral operates gaming venues of this type in Chester, Northwich, and Ellesmere Port.
351. Betting offices are present within all of Cheshire West and Chester's principal centres. As would be expected, there are a higher concentration in larger centres with the distribution of betting shops being as follows: four in Chester; three in Ellesmere Port; two in Northwich; and one in each of Frodsham, Neston, and Winsford.
352. In terms of bingo halls, the sole large scale permanent facility is Club 3000 which is located in the Port Arcades Shopping Centre in Ellesmere Port. Club 3000 is a modern bingo hall, which is centrally located within Ellesmere Port town centre and therefore plays an important role in helping to underpin its evening economy.
353. Whilst the level of bingo provision in the authority area is modest, very few bingo halls have opened in recent years and the general trend is for occasional bingo evenings in general venues (pubs, clubs and community halls). Gambling activity has also moved online and future demand for new venues is expected to be very limited. If demand does arise in the future, we advise that this should be directed to the town centres first in accordance with national and local plan policy.

Recreational and Sporting Services

Health and Fitness Facilities

354. For town centre and urban areas, the key recreational and sporting use of greatest relevance is health and fitness centres.

355. Pre-pandemic, the health and fitness market (focused around gyms and health clubs) was going from strength to strength. According to the State of the UK Fitness Industry Report (Leisure DB, 2019), the number of facilities in the UK increased to 7,239 over the year to March 2019 (compared with 6,435 in 2016).
356. It is clear that the health and fitness sector was significantly impacted by the pandemic, with lockdowns forcing the closure of facilities. The pandemic also reinforced the need for outdoor activity, particularly to support mental health and wellbeing.
357. The growth in budget gym operators has also 'squeezed' the memberships and viability of some of the established mid-market chains, such as LA Fitness and Fitness First. This has resulted in the increasing polarisation of the gym sector between the budget operators at the value end of the spectrum, and the more exclusive health and fitness centres at the higher, more expensive end. As a result, analysts predict that those mid-market gym operators that are neither cheap nor 'exclusive' may struggle to maintain market share in the competitive marketplace unless they revise their business models.
358. The below Table 23 identifies the key gym operators with representation in Cheshire West and Chester. As would be expected, many market leading operators only have representation in the larger towns with leading operators being present in Chester city centre, Northwich town centre, and at Cheshire Oaks.

Table 23: Representation of Key Gym Operators in Cheshire West and Chester

Operator	Price Position	Location
Anytime Fitness	Budget	None
Bannatyne's	Premium	None
David Lloyd	Premium	Cheshire Oaks
Energie Group	Mid-Market	None
Exercise 4 Less	Budget	None
Nuffield Health	Mid-Market	Wrexham Road, Chester
Pure Gym	Budget	Deva Retail Park, Chester Leicester Street, Northwich
Snap Fitness	Mid-Market	Barons Quay, Northwich
The Gym Group	Budget	Victoria Road, Chester
Virgin Active	Mid-Market	None

359. As is apparent in the above table, there are a number of major brands that are not present in the Borough, such as Anytime Fitness, Bannatyne's, and Virgin Active.
360. Looking beyond traditional major gym operators, many new fitness formats have emerged in larger cities across the UK in the past 10 years. Recent examples of new gym formats include dedicated gyms for high intensity training, spin (stationary cycling), rowing, and non-competitive boxing.
361. Padel tennis is one of the fastest growing sports in the country. Given that it played as doubles and uses a smaller court than tennis, a greater number of

players can be accommodated in a limited space relative to other racquet sports. This has made the sport attractive to operators and developers.

362. At present, padel provision in the authority area comprises:
- five courts at the David Lloyd health and wellness club at Cheshire Oaks;
 - five courts at Destination Padel in Northwich; and
 - five courts at Port Sunlight Lawn Tennis Club
363. Proposals to provide additional facilities in the area are being actively pursued.
364. In addition to private gym and fitness studios, there are a number of public sector owned run leisure centres located across the Borough that are operated by Brio (a Community Interest Company owned by Cheshire West and Chester Council), namely:
- Brio Christleton, Christleton Sports Centre, Plough Lane, Christleton;
 - Brio Ellesmere Port Sport Village, Stanney Lane, Ellesmere Port;
 - Brio Frodsham, Frodsham Leisure Centre, Princeway, Frodsham;
 - Brio Neston, Neston Recreation Centre, Raby Park Road, Neston, Chester;
 - Brio Northgate, Northgate Arena, Victoria Road, Chester;
 - Brio Northwich, Northwich Memorial Court, Chesterway, Northwich; and
 - Brio Winsford, Winsford Lifestyle Centre, The Drummer, Winsford.
365. Generally, it is considered that Cheshire West and Chester has a reasonably good provision of health, gym and fitness facilities, although there are notable brands that are absent. Where there is a lesser commercial provision, the general leisure centre provision is generally modern and supports a comprehensive range of uses (typically gym, swimming pool, sports hall, dance studio, and so on).

Other Commercial Leisure

366. Other commercial leisure facilities are often classified as ‘family entertainment venues’ (FEVs), which include paid activities that appeal to adults and children (such as, for example, tenpin bowling, roller skating, ice skating, and similar uses).
367. Tenpin bowling is possibly the most popular activity in the ‘family entertainment’ sector. After a period of decline in the 1970s, there are now 316 venues in the UK according to Mintel figures. The UK tenpin bowling market was valued at £285m in 2017.
368. A number of the successful bowling facilities opened over the last 15-20 years (e.g. Hollywood Bowl and Ten Entertainment) tend to form part of larger leisure complexes that include multi-screen cinemas, restaurants, and bars. The critical mass of leisure uses ‘under one roof’ help to underpin the viability of tenpin bowling centres, as they sometimes struggle as standalone destinations. The sector is evolving from old-style bowling alleys, to modern, multi-generational entertainment centres where bowling is blended with other forms of activity alongside an enhanced dining offer, along with smaller independent specialist bowling facilities.

369. Cheshire West and Chester has two major ten pin bowling venues: Tenpin at Chester Retail Park (which recently opened in March 2024 and which has 28 lanes); and, Tenpin at Cheshire Oaks (24 lanes).
370. In terms of additional future tenpin provision, the greatest opportunity likely lies within Northwich. We understand that discussions have previously been held with potential tenpin operators to try and bring in such an offer within the Barons Quay development. It is further understood that some operators have been dissuaded from proceeding due to concerns about whether a sufficiently large single floor unit can be assembled. However, we understand that the Council has had discussions in recent times with an operator which may be interested in trading from two floors. Securing such a tenant would not only help elevate Barons Quay's leisure offer but also meet a local deficiency in respect of tenpin bowling provision.
371. In such a facility could be delivered in Northwich it would not only provide additional local choice in respect of family days out but also boost the town centre's evening economy. Any genuine opportunity to attract a tenpin operator in Northwich town centre should be embraced.
372. Over recent years there has also been growth in other more specialist commercial leisure attractions, such as trampoline parks. Trampolining has become one of the UK's fastest growing sport and leisure trends. It is estimated that there were some 150 parks in the UK in 2017/18, with the potential capacity for between 250-300 parks before saturation is potentially reached. The main operators in this sector include Oxygen, Ryze, and Gravity Active Entertainment. There is also an emerging market in multi-activity leisure venues promoted by niche operators that offer a range of activity leisure uses under one roof. Examples include venues that include skateboard, snowboarding, BMX, parkour, climbing activities, and so on. Active leisure venues such as those described above typically attract wider families and groups, who are generating 'spin-off' expenditure to other uses and facilities both within and outside the venues.
373. More recently new activities are emerging and locations such as virtual reality experiences and competitive socialising activities that blend activities with F&B provision. Competitive socialising concepts are a key ingredient in the leisure offer of most large cities across the UK.
374. However, for the moment, competitive socialising venues are relatively limited in number in Chester and other principal centres in the authority area. There may be scope in Chester city centre to repurpose retail space to support new and different competitive socialising concepts.

Summary

375. Our assessment has confirmed that the commercial leisure industry faces considerable challenges and pressures. It is clear that consumers are becoming increasingly selective in terms of where and how they spend their discretionary leisure spending, but new activities and innovative offers will continue to evolve and attract people.

376. However, there will also be a continued increase in at-home activities due to the advances in computers, tablets, television, gaming, and audio technology. The challenge for town centres and leisure operators in the future will be how to attract customers away from their homes.
377. In summary, the leisure needs assessment has identified the following in respect of key leisure sectors:
- Food & Beverage – Whilst significant expenditure growth is forecast in the Study Area over the period to 2040, much of this will be claimed by existing venues. In practice, it is recommended that additional operator requirements are fulfilled in Chester city centre in order to underpin its sub-regional role, and that opportunities for redevelopment in Ellesmere Port and Winsford are able to support improved food & beverage provision in these centres.
 - Cinemas – Existing provision in Cheshire West and Chester provides a total of 28 cinema screens. Our benchmarking capacity assessment identifies that, under population growth Scenario 2, there is an expectation that Cheshire West and Chester can support approximately 25 screens at 2025, increasing to 30 screens by 2040. As such, we find that the existing cinema provision in the Borough is broadly in line with expectations.
 - Gyms/Health and Fitness facilities – There will be further demand for gyms, fitness centres, and new recreation concepts (such as padel). Many such uses have a significant floorspace requirement which can impact on the ability to locate such uses within centres. Where possible such uses should be directed towards defined centres and the redevelopment or repurposing of existing land and premises should be encouraged where practicable
 - Family Entertainment Venues – In terms of addressing future needs and supporting the overall attraction and resilience of the daytime and evening economies, there could be potential to promote more family-based activities. In particular, we note that there is no bowling alley provision across the eastern part of the Borough. We note that there have been previous attempts to secure a tenpin bowling in Northwich and recommend that the Council liaises with any interested operator to determine whether such a use could be supported at Barons Quay.
378. In all cases, the potential for new commercial leisure venues, facilities and attractions will be subject to dynamic economic, market and consumer trends over time. Where demand from operators does arise for representation, this should be directed to town centres first, aligned with national and local plan policy objectives.
379. This section has identified that the commercial leisure industry faces considerable challenges and pressures. Discretionary expenditure has been squeezed and some consumers have had to be very selective in respect of their leisure spending. However, the sector is very dynamic and new activities continue to emerge to attract residents and visitors into centres, particularly in the evening.
380. However, leisure operators also compete against at-home activities and advances in computing, tablets, television, gaming, and audio technology. The challenge for

town centres and leisure operators in the future will be how to attract customers away from their homes.

381. Cheshire West and Chester supports different leisure markets. Chester is of a sufficient scale that is able to offer a critical mass of food & beverage and other commercial leisure operators. It attracts leisure trips from across the Study Area (and beyond) and there will be continued market interest from national operators in the centre. The centre's offer has improved appreciably through recent development including Storyhouse, Picturehouse, and Chester Market food hall.
382. Northwich principally supports more localised leisure needs and has a more limited food & beverage offer, supplemented by the five-screen cinema at Baron's Quay. Further opportunities to improve Northwich's commercial leisure offer should be supported and (as identified above) is it considered that a tenpin bowling operation is a realistic and beneficial anchor to help boost the sector and evening economy more generally.
383. Other centres are generally of a small or moderate scale. In other town centres, commercial leisure will generally be focused around food & beverage uses. Ellesmere Port and Winsford are dominated by retail-focused shopping centre developments. Wholesale improvements to the existing stock of commercial premises may help support further leisure uses in these centres.
384. Generally, opportunities to support the repurposing of vacant or under-utilised retail and commercial units should be encouraged across all of the Borough's centres.

8. SUMMARY AND POLICY RECOMMENDATIONS

385. This concluding section provides high-level advice and recommendations to help the Council effectively plan and manage the vitality and viability of its centres. Paragraph 90 of the NPPF identifies that planning policies and decisions should ‘...support the role that town centres play at the heart of local communities...’ and also promote the long term vitality and viability of centres ‘...by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters...’.
386. Our quantitative modelling has taken account of the period to 2040 but, as mentioned earlier in this report, given the changeable retail landscape there should be a particular focus on identified needs across the next five to ten years. Notwithstanding this, we note that for plan-making purposes the Council wishes to consider needs across the period to 2045 and this longer timeframe is considered by the summary commentary provided below.
387. This Study has robustly assessed the need for new retail (convenience and comparison retail) floorspace and commercial leisure uses. Our assessment has been informed by a comprehensive review and update of the dynamic economic and market trends that are impacting on the retail and leisure sectors. This accounts for the impact of the pandemic, recent high levels of inflation, and the cost of living crisis.
388. This assessment is informed by Experian Location Analyst data which provides localised expenditure data and estimated future population growth derived from the Office of National Statistics’ (ONS) 2018-based ‘Sub-National Population Projections’.
389. Furthermore, we have used Experian Insights data to understand local shopping and leisure use patterns. Experian Insights utilises credit and debit card transactional data and, as such, avoids some of the pitfalls associated with the use of a household shopping survey (generally relating to the difficulties associated with securing a representative sample across an extensive Study Area).
390. The Study also draws on new health check assessments for Cheshire West and Chester’s town centres, which are provided in Volume 3. The health checks are based on a series of key performance indicators (KPIs) (as identified by the Town Centres PPG) that help identify the vitality and viability of centres, and the strengths, weaknesses, opportunities, and threats associated with each one.
391. This Study also takes account of the series of reforms to the planning system that were enacted through the amended Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 that came into effect from 1 September 2020.
392. It is against this background, including the legacy of the pandemic, cost-of-living crisis and worsening macro-economic position, that we provide the Council with

our recommendations to help inform plan-making and decision-making over the next 5 to 10 years, and across the longer term.

393. Our advice covers:

- the need ('capacity') for new retail (convenience and comparison goods) floorspace and other main leisure and town centre uses;
- the requirement to allocate a range of suitable sites to meet the scale and type of any forecast need identified, looking at least ten years ahead;
- the current definition of the network and hierarchy of centres, and whether this reflects existing and future shopping and leisure trends, planned investment and regeneration strategies, and future growth;
- the need to update and change the definition of town centre boundaries and primary shopping areas in light of the key findings and evidence, and recent planning reform; and
- the setting of a local impact assessment threshold to inform the assessment and determination of applications for new retail and leisure developments proposed outside of defined town centres.

Reform of Use Classes Order and Permitted Development Rights

394. As previously identified, the Government has implemented a series of reforms to the planning system. These reforms principally relate to permitted development rights (PDR), the Use Classes Order (UCO), and more recently the Levelling-up and Regeneration Act 2023.

395. The changes mean that the planning system is less well equipped to restrict and control uses both within and outside of town centres. Notwithstanding this, there is still a need to define town centre boundaries and, in larger centres, a primary shopping area (which, in practice, will operate as the primary 'commercial' area to be the focus for Class E and Class F uses). The defined boundaries are of direct consequence in applying the sequential and impact tests to development outside of defined centres.

396. However, changes in the Use Classes Order have implications for the designation of primary and secondary shopping frontages, as the control of shopping and service uses is less enforceable in commercial areas given that change of uses within Class E do not constitute development and will therefore not require planning permission. It should be noted that the effectiveness of frontage policies was declining before the pandemic and the changes to the UCO. As such, we do not believe that there is any benefit in defining primary and secondary frontages in any of Cheshire West and Chester's defined centres.

397. Going forward, town centres are likely to consolidate their retail and shopping role with more emphasis on place and non-transactional uses; this could include high activity-based land uses such as health and education being located in more central locations and help stem previous trends of decentralisation.

398. The increase in 'city and town centre' living is likely to be a growth area over the next decade and could be a positive regenerative mandate. Chester city centre is a focus for additional residential development, including as part of the second phase of the Northgate development and through the redevelopment of the 'Lloyds Buildings' in the Chester City Gateway Quarter. It is anticipated that there will be a continued opportunity for residential upper floor living accompanying ground floor commercial uses in central locations. This is consistent with the Government's emphasis on accelerating housing and infrastructure delivery.
399. The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020 came into force on 31 August 2020. The Order introduced Class AA and Class AB development rights that allow the construction of new residential apartments on top of detached or terrace buildings in commercial or mixed-use areas (but not in conservation areas). This could potentially lead to the loss of commercial floorspace to residential.
400. Furthermore, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (Order), which came into force on 21 April 2021, created a new class of permitted development right (Class MA) into the Town and Country Planning (General Permitted Development) Order 2015 (GPDO). This authorised changes of use from Class E commercial uses to Class C3 residential. The changes within the Order allowed a change in the permitted use of a property or land from a use falling within Use Class E to Use Class C3 residential use where the property had:
 - been in Class E use for two years (including time in former uses i.e. Class A1, A2, A3, B1, D1 or D2 now within that Use Class); and
 - been vacant for at least three continuous months.
401. The floorspace subject to the change of use was capped at 1,500 sq.m.
402. The permitted development right was subsequently amended by The Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2024, which came into force on 5 March 2024. This removed the cap on floorspace and the need for premises to have been vacant for at least three months.
403. Exercise of the Class MA right is subject to prior approval by the local planning authority and therefore is subject to some planning control. Details must be submitted relating to flooding, transport, contamination, noise amenity, natural light, fire safety, and agent of change issues.
404. Research conducted by LSH and Revo (Places & Spaces Reinvented: What is the Future for Our Towns, High Streets and Shopping Centres?, 2024) suggests that there are varying opinions in respect of whether the changes have had a beneficial impact. On the one hand, they are viewed positively by some as helping to revitalise and repurpose high streets and boost housing delivery by making it easier to change the use of buildings and respond more flexibly to dynamic market trends. On the other hand, it is argued that the reforms seriously undermine the

plan-led approach to town centre regeneration and place-making. Almost half of respondents from the private sector believe that reform has had or will have a positive impact (49%), with less enthusiasm apparent from public sector respondents (30%).

405. In response, some local planning authorities have turned to Article 4 Directions to remove permitted development rights. Where appropriately applied, Article 4 Direction can help prevent '*wholly unacceptable adverse impacts*' (paragraph 54 of the NPPF) on the vitality and viability of centres by protecting against the dilution of retail and commercial uses within core areas.

Article 4 Directions

406. The NPPF seeks to provide a note of caution in respect of local planning authorities' use of Article 4 Directions. Paragraph 54 of the NPPF identifies that, where permitted development rights relate to changes from non-residential uses to residential uses, the use of Article 4 Directions should:

'...be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts (this could include the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability but would be very unlikely to extend to the whole of a town centre...'

407. In this context, the Council should be mindful of the following in considering the potential future use of Article 4 Directions:
- it will be difficult to restrict the use of permitted development rights through the imposition of an Article 4 Direction;
 - restriction is likely to be more difficult for residential permitted development rights relative to non-residential, but in all cases '*robust evidence*' will be needed to justify their use;
 - there is a 'high bar' to justify Article 4 Directions and their scope must be limited geographically to the smallest area possible; and
 - in terms of an appropriate area, the Council will need to clearly justify the restriction of permitted development rights with targeted evidence (e.g. loss of commercial space, preservation of important community facilities, or protection of a historic area/local amenity).
408. The health check assessments undertaken as part of this Study generally identify reduced market demand for retail and commercial uses. This is apparent through high vacancy rates across four of the six principal centres (the vacancy rates in Chester, Northwich, Ellesmere Port and Neston are all significantly above national average level). As a consequence, there is a significant stock of unused and underutilised floorspace in many of Cheshire West and Chester's town centres.
409. Much of the vacant floorspace will need to be repurposed for other uses, including residential. In this context, the use of permitted development rights may not generally be required in order to provide for diverse and animated town centres.

410. We are aware that there is a particular sensitivity in respect of land use in Chester city centre given the quality of the built environment and its historic nature. The Council may therefore wish to keep open the potential to use Article 4 Direction should there be negative consequences arising through the application of permitted development right in practice. We recommend that this situation is monitored going forward but do not believe that the evidence collated by this Study (in respect of land use and vacancies within centres) directly supports the use of Article 4 Directions.

Levelling-up and Regeneration Act 2023

411. The Levelling-up and Regeneration Bill received Royal Assent at the end of October 2023 and officially became the Levelling-up and Regeneration Act 2023 (LURA 2023). The Conservative Government proclaimed that LURA 2023 will *'...speed up the planning system, hold developers to account, cut bureaucracy, and encourage more councils to put in place plans to enable the building of new homes.'*
412. In relation to town centres specifically, the Act enables local authorities powers to instigate auctions to rent vacant commercial properties in town centres and on high streets for leases from one to five years to attract new tenants.
413. The new Government has affirmed its commitment to High Street Rental Auctions and brought into force the Local Authorities (Rental Auctions) (England) and Town and Country Planning (General Permitted Development) (Amendment) Regulations 2024 on 2 December 2024.
414. The Regulations identify that local authorities must designate streets or areas where High Street Rental Auction powers can be exercised. Two principal conditions must be satisfied to use a High Street Rental Auction, namely:
- the vacancy condition, which relates to the need for High Street Rental Auction where it has been unoccupied continuously for 12 months or for at least 366 days non-continuously within a 24-month period; and
 - the local benefit condition, which states that the local authority must be satisfied that the occupation of the premises for a suitable high street use would be beneficial to the local economy, society, or environment.
415. The general consensus is that, whilst High Street Rental Auctions may be a useful tool in combatting long-term vacancies, it remains to be seen whether local authorities have the resources to execute the powers that they have been given on a regular basis. Furthermore, in areas where there is a substantial quantum of vacant stock and underlying issues in respect of the strength of the commercial market, Rental Auctions are unlikely to materially impact on the overall vacancy rate.
416. Accordingly, we recommend that the potential benefit of High Street Rental Auctions is considered as part of a mix of initiatives to support high streets and town centres. The Council should review the composition of town centres over

time and identify properties which are difficult to let and have been vacant for an extended period. The landlords of such premises will need to be identified and steps taken to engage with them to understand their strategy in respect of the re-use of vacant premises. Where appropriate, the Council may wish to embark on the High Street Rental Auction where it is apparent that the landlord's actions may not be sufficient to provide for the timely re-use of premises.

Retail Needs

417. Paragraph 90 of the NPPF is clear that local planning authorities should plan to meet the need for new retail and town centre uses looking at least ten years ahead. However, the PPG suggests that, given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments '*...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.*' Therefore, greater weight should be placed on forecasts over the next five to ten-year period.
418. The headline retail capacity forecasts provided in Table 8 and reproduced below at Table 24 identify no convenience or comparison goods quantitative capacity over the short, medium and longer term to 2040 under the high population growth Scenario 2. The expenditure deficit is even greater under growth Scenario 1.

Table 24: Population Growth Scenario 2 – Net Retail Floorspace Capacity Forecasts

Destination	Convenience Goods Capacity (net sq.m)			Comparison Goods Capacity (net sq.m)		
	2030	2035	2040	2030	2035	2040
Chester CC	-18	-16	-11	-582	-826	-1,042
Other Zone 1	-1,046	-1,015	-942	-2,205	-3,039	-3,777
Zone 2	-304	-270	-190	-1,518	-1,774	-2,000
CWAC Total	-1,368	-1,301	-1,143	-4,304	-5,639	-6,818

Source: CREAT[®] Retail Capacity Model (Appendices 4 and 5, Volume 3)

419. The capacity forecasts are negative due to three principal reasons:
- convenience and comparison goods expenditure growth per capita is limited relative to levels that have been historically achieved;
 - there are a limited number of commitments which have planning permission and which will attract expenditure in practice; and
 - existing retailers (and committed floorspace) will improve their sales efficiency going forward in order to remain operationally viable.
420. The limited demand for additional retail floorspace has already been evident in the Cheshire West and Chester area. This is particularly the case in respect of the Northgate development in Chester and Barons Quay in Northwich. The focus of both of these developments has moved away from retail to embrace a greater range of uses with leisure at the forefront.
421. In practice, grocery retailers are continually reviewing their requirements and it is

anticipated that there will be some activity in respect of the submission of planning application proposals for additional convenience goods floorspace in Cheshire West and Chester in the short to medium term. This may be because certain operators believe that their offer is increasingly attractive to shoppers and, as such, they may be able to sustain their operation by diverting sufficient expenditure from existing stores. In some cases, small scale local retail facilities may also be appropriately delivered in association with larger retail developments.

422. It is difficult to forecast retail capacity over the longer term (i.e. between 2040 and 2045). In this regard, Experian RPN only currently provides expenditure growth rates and estimates of expenditure committed via special forms of trading to 2020. This is in recognition that forecasting over an extended period is inherently unreliable given the number of variables and generally economic instability.
423. Given the above outputs to 2040, we do not believe that there is any requirement for substantive retail development over the additional five years to 2045. It is clear from the findings of the assessment that there is no quantitative requirement to identify any additional land to accommodate large format retail development.
424. In practice, we recommend that any further retail development is comprised of two different forms.
425. *Firstly*, any demand which is apparent should be directed where possible to existing centres to provide for the reoccupation of existing retail floorspace. Occupiers currently benefit from significant choice in most centres and it will be important to ensure that principal centres retain a critical mass of retail uses to provide an attractive and compelling offer which provides for some choice. If this does not occur, we anticipate that a greater proportion of local expenditure could be committed online or could 'leak' to alternative retail destinations such as Liverpool city centre, the Trafford Centre, and Manchester city centre.
426. *Secondly*, it is recommended that future significant residential growth is supported by appropriately scaled local retail and service facilities. It is recommended that the Council engages at an early stage with land promoter/developers to consider the potential qualitative benefits in providing day-to-day retail and service provision within large scale residential schemes. We anticipate that the focus of any such development will be convenience retail (likely to be provided in a 'c-store' format with a maximum net sales area of 280 sq.m to accord with Sunday trading regulations) potentially supplemented with a very limited number of additional commercial units (which could be occupied by retailers or service providers). The principal focus should be on meeting needs which principally arise from new development, albeit developers will also likely consider whether the existing residential population could also access the provision in a sustainable manner.
427. However, it is expected that the objective of any such development would be to meet localised day-to-day needs and not provide development of such a scale that it could impact on the trading performance of nearby centres.
428. C-stores generally support localised catchment areas with a significant proportion of such shopping journeys being undertaken on foot. The Association of

Convenience Stores' Local Shop Report 2024 identifies that 65% of convenience store shoppers travel less than one quarter of a mile to access such shops. The primary catchment area of a c-store will be influenced by a number of factors (including local geography, the location of competing stores, and the density of surrounding residential development) but may be as little as 500 metres in urban locations.

429. There may also be an opportunity to provide medical and/or community facilities within such developments. We anticipate that such development would form small-scale neighbourhood hubs/centres.
430. Where it is considered that there may be a need for new retail provision to provide for sustainable developments, assessments should take into consideration:
 - the location of existing centres and standalone provision in the area;
 - the current vitality and viability of existing centres;
 - the additional population supported by residential development;
 - the additional expenditure generated by the new residential population;
 - the propensity for this expenditure to be spent locally in association with day-to-day needs; and
 - the quantum of expenditure that exists in the local area to support additional floorspace.
431. It is considered that the merits of additional local retail provision should be considered on a case-by-case basis with reference to the above considerations.
432. Where a developer has demonstrated that new retail provision will meet a localised convenience goods need, then it may be necessary to attach conditions to any planning permission to ensure that the unit trades in such a manner in practice. This may involve a restriction condition to prohibit comparison goods sales (beyond the level generally required to support a convenience store format).

Leisure Needs

433. A high-level assessment has been provided of the potential need for new commercial leisure uses and facilities. Even under normal circumstances, it is difficult to predict the need and demand for new leisure uses, as the sector is very diverse and highly influenced by market, lifestyle and consumer trends. Predictions as to likely future need, even over the short term (i.e. the next three to five years), have been further complicated by the impact of the pandemic, rising inflation, and the cost of living crisis. These factors have an ongoing impact on leisure expenditure trends and growth, consumer preferences, and business viability.
434. Notwithstanding these caveats, commercial leisure uses are a critical part of the overall offer and attraction of centres. They make a significant contribution to their overall diversity, vitality and viability of centres, and to their daytime, evening and night-time economies.

435. As part of their future adaptation and growth, it is therefore important that the Council maintains and promotes diverse and flexible leisure uses, venues and events catering for a wide demographic in Cheshire West and Chester's principal centres over the period to 2040.
436. From a planning policy perspective therefore the key to meeting future needs (some of which will evolve over the plan period) is the formulation of policies that can accommodate changing needs and provide appropriate flexibility in the real world. This includes recognising that for many larger format commercial leisure uses the cost for entering a new market will be relatively high and, unlike retail outlets where store size can vary significantly, incremental development is unlikely if only small increases in market growth are identified.
437. It is also the case that the recent changes to the Use Classes Order mean that the principal commercial leisure sector (in terms of expenditure) is food & beverage which encompasses both Class E and sui generis uses. Given the small to moderate scale of most operator requirements, changing demand for café and restaurant uses can generally be met through the reoccupation and reuse of existing city and town centre floorspace.
438. The headline findings from the leisure needs assessment are as follows.
- **Eating and drinking** is a popular leisure activity, accounting for approximately 60% of Study Area residents leisure expenditure per capita. As would be expected, Chester city centre accommodates the most significant concentration of food & beverage venues in the Study Area (with a total of 186 operators) followed then by Northwich (38) and then Frodsham (30). Whilst significant expenditure growth is forecast across the period to 2040, much of this growth will be claimed by existing operators in order to ensure that their operations remain viable. In practice, it is recommended that additional growth is directed to Chester city centre in order to underpin its sub-regional role, and that opportunities for redevelopment in Ellesmere Port and Winsford are able to support improved food & beverage provision in these centres. In addition, new concepts and improved local provision may also encourage residents to eat and drink out more frequently in Cheshire West and Chester's centres. In this context, it will be important to focus new uses in town centres to increase consumer choice, repurpose commercial floorspace, and provide a critical mass of activity. The food & beverage sector is of significant importance as it can help underpin both daytime and evening economies.
 - In relation to **cinemas**, the existing provision in Cheshire West and Chester supports a total of 28 screens. Our benchmarking capacity assessment identifies an expectation for Cheshire West and Chester to support approximately 25 screens at 2025, increasing to 30 screens by 2040 under the higher population growth Scenario 2. The assessment provides a broad estimate of future requirements and we therefore consider that Cheshire West and Chester's provision is in line with expectations with no pressing requirement to improve the level of provision.

- Regarding other commercial leisure uses, **gambling venues** (e.g. bingo halls and casinos) are of a small scale. Given the ongoing popularity of online gambling, we do not anticipate that there will likely be a commercial demand to provide significant additional bingo halls or casinos over short, medium or longer term. Indeed, the presence of physical gambling activities such as betting shops in high streets is also a contentious issue due to the perceived social, economic and health/wellbeing impacts on individuals and households.
- **Tenpin bowling** in the authority area is catered for by the large Tenpin-operated facilities at Chester Retail Park (28 tenpin lanes) and Cheshire Oaks (24 lanes). It is notable that there are no facilities in the eastern part of the Borough. We note that there have been previous attempts to secure a tenpin bowling operator to Northwich (and to Barons Quay in particular). We recommend that any genuine interest is pursued as such as use should generally complement the Odeon cinema in Northwich and help support food & beverage operators in the area.
- Chester and the Study Area as a whole is considered to be well provided for in terms of **theatres and cultural venues**, with the Storyhouse in Chester able to attract high profile touring shows and artists, and a range of smaller venues hosting interesting shows and comedy and musical acts. Both the Storyhouse theatre and Theatre Porto in Ellesmere Port are relatively new, modern developments and it is not considered that there is a pressing requirement for additional large scale cultural facilities.
- It is expected that there will be further demand for **family entertainment venues, gyms, and new recreation concepts**. Many such uses have a significant floorspace requirement which can impact on the ability to locate such uses within centres. Where possible such uses should be directed towards defined centres and the redevelopment or repurposing of existing land and premises should be encouraged where practicable. Further developments in this area are often operator-led (in respect of a particular trend or use gaining traction within a particular group of people) and are difficult to 'plan' for. Such proposals should be determined with reference to the sequential and impact tests, and be accommodated in-centre wherever possible. At present, there is significant operator interest across the country in providing padel courts. Whilst padel courts have a significant land take requirement, they are considered to fall within the NPPF definition of a 'main town centre use' given that padel comprises a 'more intensive sport and recreation use'. As such, proposals for padel courts should be subject to the key town centre policy tests.

439. The forecast need for any new commercial leisure uses will be subject to wider economic, consumer and market trends, and will to some degree be operator-led with reference to the types of concept that can be sustained in Cheshire West and Chester's centre. Where demand does exist, new uses and activities should be focussed within Cheshire West and Chester's principal centres in accordance with national and local planning policy objectives.

Accommodating Retail and Leisure Needs

440. Paragraph 90 of the NPPF states that planning policies should ‘...allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead.’ Aligned with the NPPF, paragraph 004 of the Town Centres and Retail PPG identifies that town centre strategies should establish the potential for the development or redevelopment of under-utilised space to accommodate the scale of assessed need. The same paragraph also advocates using existing land more effectively, for example by grouping particular uses such as retail, restaurants, and leisure activities into hubs. In turn, this will help with the consolidation and restructuring of centres.
441. It is to be recognised that the capacity forecasts do not take account of current (or future) vacant retail floorspace in the main centres and shopping locations. Some of this vacant space (particularly in prime shopping streets) will be available and suitable for reoccupation, repurposing and/or redevelopment both now and in the future. We therefore advise that any market demand for new retail and commercial leisure floorspace should be directed in the first instance to vacant units or to sites that can be assembled through the redevelopment of underutilised and vacant land and premises within centres.
442. Notwithstanding the above, in practice our quantitative retail capacity assessment has demonstrated no requirement for additional convenience and comparison goods retail floorspace in the period to 2040. In practice, it is highly unlikely that there is any requirement over the longer term to 2045.

Network and Hierarchy of Centres

443. Paragraph 90 of the NPPF indicates that local planning authorities should define a network and hierarchy of town centres. However, very little detail is provided in this regard and, notably, neither the NPPF nor the Town Centres and Retail PPG provide define different types of town centre with reference to the role they serve.
444. As we identified in Section 5 of this Study, the most recent definitions provided by the Government in respect of the role and function of different types of town centre were contained within PPS4, which was published in 2009.
445. The PPS4 definitions effectively established a four tier hierarchy as follows.
- **Tier 1: City Centre** – City centres may be very large and act as a regional centre, serving a wide catchment. regional centre and will serve a wide catchment embracing a wide range of activities and may be distinguished by areas which may perform different.
 - **Tier 2: Town Centre** – Usually the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority’s area.
 - **Tier 3: District Centre** – District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-

retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.

- **Tier 4: Local Centre** – Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette.

446. PPS4 made it clear that small parades of shops of purely neighbourhood significance are not generally regarded as centres.

447. Policy ECON 2 'Town Centres – Retail, Leisure and Other Town Centre Uses' of the adopted Part One Local Plan sets out the following hierarchy for the Borough's defined centres:

- Sub-Regional Centre: Chester;
- Strategic Centre: Northwich;
- Town Centres: Ellesmere Port, Winsford, Frodsham, and Neston; and then
- Local Centres.

448. We also note that Boughton is defined as a district centre by Part Two Local Plan Policy DM 15 'District and Local Centres'.

449. We have the following comments on the hierarchy of Cheshire West and Chester's centres, which are informed by the PPS4 definitions and our health check assessments of principal centres.

- Chester is the subject of significant change – both through the loss of several former anchor retailers and through the Northgate redevelopment scheme – but remains a focal point for retail, leisure, cultural, and civic amenities. There is a need for it to retain a critical mass of comparison retailers and for additional operators and concepts to be drawn to the centre. Chester needs to be a focus for future investment and merits its position at the top tier of the retail hierarchy.
- Northwich provides an important retail, service and civic function in the eastern part of the Borough. The Experian Insights transactional data identifies that the centre does not draw substantial trade from across the Study Area nor does it attract any significant inflow of expenditure from outside the area. Notwithstanding this, Northwich clearly performs an important local function and it is recognised that there is a need for the centre to be a focus for additional retail and leisure investment. Whilst Northwich performs a 'town centre' role, it is accepted that its offer is greater than that of other town centres in the Borough.
- The centres of Ellesmere Port, Winsford, Frodsham, and Neston provide a range of retail, leisure and community facilities, and their offer is consistent with the definition of a town centre.

450. LSH has not reviewed lower tier centres in the Borough and it will be for the Council to form a view on the ongoing appropriateness of local centre designations

(or whether there is any need to designate a tier of district centres in the retail hierarchy).

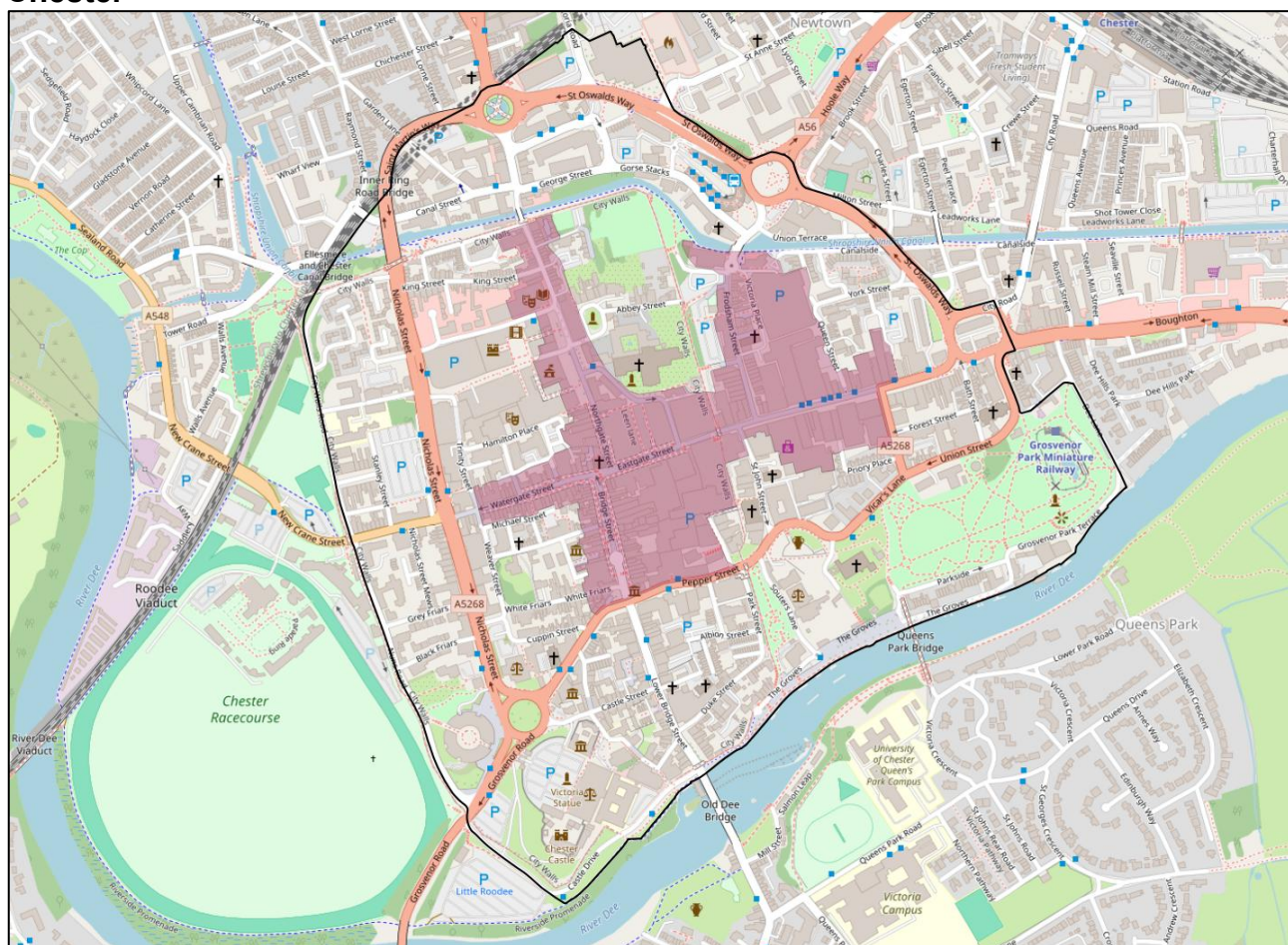
451. On this basis, we believe that the Part One Local Plan Policy ECON 2 centres hierarchy remains broadly appropriate should the Council decide that it wishes to differentiate between a strategic town centre (i.e. Northwich) and other town centres. The Council will also need to confirm whether Boughton should be designated as a district centre and whether any other local centres may also merit this designation.
452. In considering the hierarchy, it should be noted that there is no direct 'scale' test set out in national planning policy. However, NPPF paragraph 90 specifically identifies that the defined network and hierarchy of centres should allow centres to grow in a manner that reflects their characteristics. On this basis, we believe that it remains appropriate for local planning authorities to formulate policies that allow consideration to be given to whether an in-centre or edge of centre proposal is consistent with the role and function of a centre and its place in the retail hierarchy. Indeed, unless the centres hierarchy is aligned with such a policy then there is limited merit in defining it in the first place.

Town Centre Boundaries and Primary Shopping Area Definitions

453. The current boundaries of Cheshire West and Chester's centres are identified by the consolidated Local Plan Map.
454. We set out our recommendations below with reference to these existing boundaries.
455. For **Chester city centre**, our recommended city centre boundary remains as adopted. This boundary broadly follows St Oswalds Way to the north and east, the River Dee to the south, and Chester Racecourse to the west.
456. The principal part of the city centre which does not necessarily follow the most obvious physical boundary relates to Brio Northgate leisure centre (which is currently being refurbished) and adjacent large format retail premises. It is recognised that this additional area encompasses core main town centre uses and it is therefore considered that the extension of the city centre boundary across St Oswalds Way continues to be merited in this location.
457. In respect of Chester's primary shopping area, we recommend the following revisions relative to the adopted boundary:
 - the removal of premises on Watergate Street lying between Trinity Street and St Martin's Way;
 - the removal of premises on Lower Bridge Street situated to the south of Grosvenor Street and Pepper Street; and
 - the removal of 88 Foregate (Old Queens Head) and premises to the east, and the removal of premises on Foregate Street located to the east of Love Street.

458. These proposed amendments create a more focused primary shopping area which better reflects where there is a high concentration of retail units. Retail uses will still often be accommodated outside of the primary shopping area boundary, and the provisions of Class E mean that it is difficult to be prescriptive in respect of commercial land use within the primary shopping area itself. However, a more concentrated primary shopping area for Chester city centre is considered to be consistent with the requirement of the NPPF and is of assistance in helping to direct new retail uses to the central core in order to provide a critical mass of operators on key shopping streets.
459. The proposed revised primary shopping area boundary (together within the unaltered proposed city centre boundary) is presented below at Figure 8.

Figure 8: Proposed City Centre and Primary Shopping Area Boundary for Chester



460. Chester city centre has a unique proposition in respect of the Rows covered walkways which run at the first floor of buildings across Eastgate Street, Bridge Street, Watergate Street and Northgate Street. The primary shopping area designation is applicable both at ground floor level and in respect of land use relating to the Rows.
461. Paragraph 9.81 of the 2016 RS provided the following commentary on the Rows and future land use:

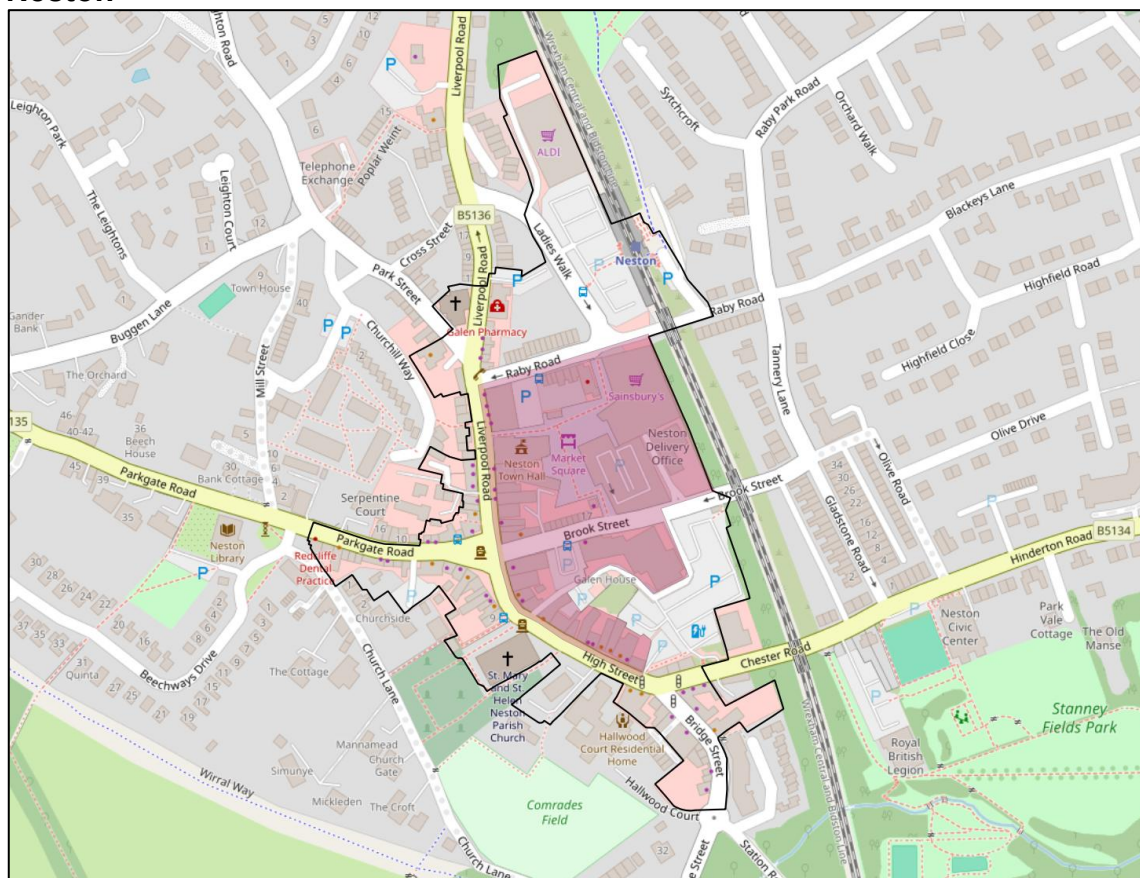
'It is also important to consider the frontages of the Rows (the first floor frontages above the retail core). The Rows form a unique and distinctive element to Chester's retail experience and they are starting to become inactive in places as units are converted to back office or non-main town centre uses and present blank elevations. It is important to protect these as active and interesting heritage frontages to support a high quality and distinctive experience for visitors. Whilst many of them will be used for leisure and retail services, alongside retail uses, it will be important that they retain continuous active frontages that contribute positively to their public realm...'

462. The above commentary remains accurate. Whilst we again note that Use Class E limits the ability to tightly control commercial land use, any planning applications which do provide for the change of use of units within the Rows should be carefully assessed with reference to whether an active frontage will be retained. There is a need to drive footfall up to first floor level in order to ensure that the Rows remain a vibrant and integral part of Chester's visitor experience.
463. For **Northwich town centre**, the existing primary shopping area is considered to remain broadly reflective of where retail premises are concentrated. In this regard, the primary shopping area encompasses Witton Street, Barons Quay, and adjacent areas.
464. In reviewing the wider Northwich town centre boundary, we note that there are two parcels of land to the north of Leicester Road which are somewhat removed from the retail core.
465. The first parcel of land is used as a Council car park and the second parcel has been used as a storage depot and also as a car park.
466. Based on the current usage of these sites, we believe that a case could be made for their exclusion from the town centre boundary. However, we note these sites are situated directly to the west of the Aldi store at Leicester Street. This is clearly a busy store and a driver of footfall into the town centre area.
467. It is recognised that appropriate development of the two other sites at Leicester Street could function as part of the town centre in practice. It may be appropriate for the Council to retain the existing town centre boundary on this basis.
468. Land use within **Ellesmere Port town centre** is considered to be broadly consistent with existing town centre boundary and primary shopping area designations.
469. In this regard, Ellesmere Port's primary shopping area is focused around Port Arcade Shopping Centre and the adjacent Asda and Aldi foodstores. This area was built to accommodate retail operators and continues to have a retail focus.
470. The existing Ellesmere Port town centre boundary runs from the railway station in the North to Stanney Lane in the south; it is not considered that there have been

any fundamental developments or changes of use which impact on this wider designation.

471. The extent of **Winsford town centre** is also unchanged in recent years. The centre is focused around Winsford Cross Shopping Centre, the Asda superstore, civic buildings at The Drummer, and the Aldi, Farmfoods and JD Wetherspoon operations off Dene Drive.
472. We do not recommend any change in respect of the existing town centre boundary and also consider that the existing primary shopping area is appropriately drawn, reflecting the extent of Winsford Cross Shopping Centre and the adjacent Asda foodstore.
473. The existing **Neston town centre** boundary is considered to be reflective of the principal concentration of commercial uses in the area. It is noted that the Neston Neighbourhood Plan ('made' June 2016) also defines the same town centre boundary as the adopted Local Plan.
474. We do, however, propose a number of changes in respect of the proposed primary shopping area boundary. This is because retail uses in the centre have receded in recent years and a larger portion of the centre is focused on service uses. The Council should review whether this change has implications in respect of the Neston Neighbourhood Plan.
475. To reflect changes on the ground, we propose that Neston's primary shopping area is revised as follows:
 - the removal of land north of Raby Road which includes residential properties and the railway station car park;
 - the removal of Chester Road car park and commercial premises fronting Chester Road that are generally in financial & business service use; and
 - the removal of premises to the west and south west of Liverpool Road and High Street which accommodate a high proportion of service uses.
476. Retail uses outside of the proposed primary shopping area would still be acceptable where they satisfy the key retail policy tests. To reflect changes on the ground, we propose that Neston's primary shopping area is revised as follows.

Figure 9: Proposed Town Centre and Primary Shopping Area Boundary for Neston



477. We do not recommend any changes in respect of the **Frodsham town centre** boundary. In practice, both the town centre boundary and the primary shopping area cover the same area which reflects the fact that retail uses are distributed throughout the centre. In this regard, Main Street is effectively a traditional high street and further day-to-day shopping provision is apparent at the Eddisbury Square precinct in the southern part of the centre. The current boundaries are considered to reflect current land uses.

Sequential Test

478. Paragraph 91 of the NPPF identifies that local planning authorities should apply a sequential approach to proposals for main town centre uses which are not in an existing centre nor in accordance with an up-to-date development plan. This means that town centre sites should be considered first, followed by edge of centre locations, followed by out of centre locations.
479. The NPPF sequential test is to be applied in the same broad manner nationally, albeit with reference made to local circumstances. The sequential test applies to all main town centre uses.
480. It is recognised that the sequential test should be applied with reference to 'real world' commercial decisions.

481. In this context, it is anticipated that the sequential test should be applied to proposals for specialist/niche retail and service provision with reference to:
- the catchment area served;
 - the ability of the catchment area to access relevant town centres in proximity to the application proposal;
 - the type of retailing proposed and whether this impacts on accessibility requirements (for example, grocery retailing is often purchased relatively close to home due to the weight of such goods and difficulties in transporting them over distance); and
 - the location of current/competing provision.
482. As identified by the Town Centres and Retail PPG, the expectation will be that – where an applicant suggests that its proposal meets a distinct ‘location specific’ need – robust justification will be required where it is argued that the use could not be accommodated within a nearby centre or centres.
483. In considering the appropriate catchment area for a proposal, it may assist the applicant’s case to provide trading data relating to existing stores (whether within the local authority area or elsewhere) and the catchment area from which they draw trade.

Local Floorspace Impact Threshold

484. Paragraph 94 of the NPPF indicates that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment (where such development is not consistent with the provisions of the development plan). Any such threshold policy applies only to the impact test (all planning applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan will generally be the subject of the sequential test).
485. The purpose of applying an impact threshold within the development plan which deviates from the national threshold of 2,500 sq.m is to allow the Council to retain appropriate control in respect of the potential for retail and leisure development that has the potential to impact on the future health of defined centres. By applying a lower threshold, applications for developments which could potentially have a harmful effect on the overall vitality and viability of a defined centre, will need to be supported by a proportionate impact assessment which sets out the potential trade diversion impact assumptions.
486. Paragraph 015 of the Town Centres and Retail PPG provides the following guidance in relation to floorspace thresholds. It states that:
- ‘The impact test only applies to proposals exceeding 2,500 square metres gross of floorspace unless a different locally appropriate threshold is set by the local planning authority. In setting a locally appropriate threshold it will be important to consider the:*

- *scale of proposals relative to town centres*
- *the existing viability and vitality of town centres*
- *cumulative effects of recent developments*
- *whether local town centres are vulnerable*
- *likely effects of development on any town centre strategy*
- *impact on any other planned investment.'*

487. As we have highlighted elsewhere in this report (and within the detailed health check assessments provided at Volume 3 of the Study), many of Cheshire West and Chester's principal centres have been substantially impacted by changes in retailer representation and the shift to online retail. Vacancy rates in Chester, Ellesmere Port, Northwich, and Neston are high and these centres, in particular, are considered to be generally susceptible to additional competition. A key theme of this Study is that, where future retail and leisure operator requirements are apparent, they should be directed wherever possible to defined centres.
488. In this context, we are of the view that a lower local impact threshold (i.e. less than the 2,500 sq.m national threshold) should prevail in respect of the application of the impact test across Cheshire West and Chester.
489. Part One Local Plan Policy ECON 2 'Town Centres – Retail, Leisure and Other Town Centre Uses' sets out the current adopted thresholds of relevance to the impact test. The variable threshold is lower in proximity to smaller centres and higher in respect of the two largest centres (Chester city centre and Northwich town centre).
490. The current policy indicates that proposals outside of town centres require formal impact assessment where they:
- provide greater than 1,000 sq.m gross floorspace in proximity to Chester sub-regional centre and Northwich strategic centre;
 - provide greater than 500 sq.m gross floorspace in proximity to Ellesmere Port, Winsford, Frodsham, and Neston town centres; and
 - provide greater than 200 sq.m gross floorspace in proximity to local centres.
491. We concur that it is often not appropriate to adopt a 'blanket' threshold across the entirety of the authority area.
492. In considering the setting of an appropriate threshold, we note the following.
- A total of 24 of the 727 commercial units (i.e. 3.3%) of the stock of commercial units in Chester city centre provide a gross floorspace of 1,000 sq.m or more. As such, this quantum of floorspace is considered to be representative of an important, larger store within the centre. Chester's vacancy rate is above national average level and the loss of any retailer of this scale could potentially be of consequence to the centre's future performance.
 - In the town centres of Northwich, Ellesmere Port, Winsford, Neston and Frodsham between 2.2% (in Neston) and 17.0% (in Winsford) of commercial units provide greater than 500 sq.m of gross floorspace.

- Vacancy rates in the centres vary, but in all cases are above the national average rate.
493. Given the above, LSH believes that a 'tiered' approach is merited whereby the impact assessment threshold applied to planning applications for edge of centre and out of centre retail and leisure development varies in relation to the role and function of a particular centre.
494. In considering the setting of a local impact threshold, it is important to give consideration to the type of development (relating to convenience and comparison goods retail uses, and leisure uses) which would, in practice, provide space for key operators who could act to 'anchor' a centre. Should one of these anchor units or operators leave a centre, there will likely be the potential for a significant adverse impact to arise.
495. Where there is genuine potential for an application proposal to divert a material level of expenditure away from a defined centre, or potentially remove a key tenant from that centre, there will likely be a requirement to consider the impacts arising from the proposal in detail.
496. In respect of lower order centres, the introduction of even a small convenience store nearby (of the type operated by Sainsbury's Local or Tesco Express) may have the potential to impact on the ongoing viability of key operators. Small convenience stores operated by national multiple grocers can generate a relatively substantial turnover. If this is diverted from existing retailers in defined centres, the impact on the overall vitality and viability through the loss of spend and footfall, could be of a significant adverse magnitude.
497. Therefore, in implementing a local threshold policy, it is considered more appropriate to apply a range of thresholds in accordance with the type of centre the proposed development is proximate to. The thresholds should not only apply to new floorspace, but also to changes of use and variations of condition to remove or amend restrictions on how units operate or trade in practice.
498. In this context, we believe that consideration should be given to revise the current position such that the impact threshold in Northwich is lowered to 500 sq.m. This reflects the vacancy rate in the town centre and the clear requirement for Northwich to retain a critical mass of retailers and leisure providers in order to ensure that the centre continues to attract trade and act as the hub of local communities. Northwich has 39 commercial units of 500 sq.m and above, and it is considered that operators of this scale have the potential to impact on the future vitality of the centre.
499. In accordance with the NPPF, we propose that the impact test applies to just retail and leisure uses proposed in edge and out of centre locations, and that the following thresholds would apply:
- greater than 1,000 sq.m gross floorspace in respect of Chester city centre;
 - greater than 500 sq.m gross floorspace in respect of the other five town centres; and

- greater than 200 sq.m gross floorspace in proximity to local centres.

Monitoring and Review

500. This Study provides two principal outputs: a capacity exercise which assesses future retail and leisure floorspace requirements; and, health check assessments which identify the current vitality and viability of defined town centres.
501. The retail and leisure needs assessment is derived from a number of different data inputs and assumptions relating to matters such as:
 - future planned population growth across the Study Area and its zones;
 - future forecast per capita expenditure growth;
 - allowances for expenditure committed via special forms of trading;
 - allowances for changes in the sales efficiency of existing floorspace; and
 - the sales density likely to be secured by future operators such that a monetary surplus can be converted to a floorspace requirement.
502. The above inputs need to be applied through LSH's in-house CREAT^e economic model.
503. It is noted that the Town Centre and Retail PPG identifies that needs assessments should be regularly reviewed.
504. Given the technical nature of the capacity assessment exercise, it is anticipated that this will be undertaken through either a partial or full update of the assessment by a specialist consultant at an appropriate time (e.g. to coincide the preparation of development plan documents or due to significant changes in the retail and leisure sectors).
505. In order to provide a 'rolling' monitor of the overall level of need, it is recommended that the Council regularly updates its schedule of retail and leisure commitments and that the floorspace associated with larger commitments is summed together. This should be deducted from the floorspace capacity figures identified within this report to provide for an indication of how requirements are changing over time.
506. We recommend that the health check assessments provided by this Study are subject to regular review by the Council. This will ensure that the 'direction of travel' in respect of the health of centres is understood, and help determine the merits of decisions made in respect of in-centre investment and additional out of centre retail and leisure development. Given the high vacancy rate in many centres, it may be appropriate to update key health indicators on a biennial basis.
507. Paragraph 006 of the NPPF sets out a number of key performance indicators of relevance to the health of town centres. Indicators that are regularly reviewed by local planning authorities to help determine the performance of centres over time are as follows.
508. The **diversity of uses** within a centre can be monitored with reference to Experian Goad categories (convenience, comparison, retail service, leisure service, and

financial & business service) or with regard to Use Class. Reviewing changes in representation over time can assist in understanding the changing role and function of the centre, and how it meets local residents' needs. Changes in representation may also be of consequence to the determination of planning applications for main town centre uses outside of defined town centres (which would potentially compete with the subject centre for custom).

509. The **proportion of vacant properties** is a clear and straightforward barometer of operator demand and can also be instructive in respect of the role of centres and their environmental quality. A large number of vacancies often impacts on visitors' perceptions of the centre and can lead to a 'spiral of decline' that is difficult to reverse. We recommend that the both the range of land uses and the number of vacant properties are reviewed by the Council on a regular basis.
510. **Pedestrian flows** can be determined with reference to observations 'on the ground' or with reference to exact pedestrian count systems. Whilst this has most often been undertaken in recent years with reference to an automated laser-based pedestrian count system, smartphone GPS data (as used in this Study) is now generally the preferred choice in understanding pedestrian flows and the popularity of different parts of a centre throughout the day and into the evening. The Council may wish to consider the use of GPS data to review activity across a range of centres in a consistent manner and over a period of time.
511. It is considered that the above three indicators provide metrics that allow changes and the relative performance of the centre to be measured and tracked over time.
512. The monitoring of centres on this basis allows:
 - the impact of development management decisions to be quantified and understood;
 - future development management decisions to be made with reference to an up to date evidence base;
 - structural changes in the composition of centres to be understood and redevelopment opportunities to be identified;
 - the prioritisation of public sector investments to ensure that centres remain vital and viable, and continue to act as the hub of local communities; and
 - the identification of urgent issues in respect of the function of centres.
513. It is recommended that the collation and summary of land use, vacancy and pedestrian count data would be undertaken in the form of concise health check summary reports to be issued by the Council on a regular basis.